

# THE AMERICAN REVIEW OF REVIEWS

EDITED BY ALBERT SHAW

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### THREE EMINENT LAWYER-STATESMEN ENJOYING AN ENGLISH "WEEK-END"

An aristocratic Englishman has presented to the British Government a beautiful and historic country house to be at the service for all future time of the Prime Minister, whomever he may be. Mr. Lloyd George a few weeks ago took possession, and he had as guests for his first week-end party the American Ambassador, Hon. John W. Davis, and the Chief Justice of England, Lord Reading. Our picture, photographed at "Chequers," as the new official residence is called, shows the Prime Minister on the right, the American Ambassador in the center, and the Lord Chief Justice at the left. Mr. Davis, who was formerly Solicitor-General at Washington and is a lawyer of great attainments, is soon to begin practice in New York City. Lord Reading is about to go to India as Viceroy. And Mr. Lloyd George continues to govern the United Kingdom and the British Empire in a time of almost unprecedented perplexities for statesmen everywhere.

# THE AMERICAN REVIEW OF REVIEWS

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## THE PROGRESS OF THE WORLD

*Troubles That  
Are the  
Common Lot*

The period of acute restlessness in which the people of all nations are now living is due to many painful circumstances, yet it is not devoid of certain hopeful aspects. Mankind has probably been as miserable in some former periods as in the present season, which we recognize as one of disturbance and anxiety everywhere. In the very fact of this recognition of the suffering and sorrow that prevail elsewhere, lies the promise of improvement. There was much less of this universal consciousness in those earlier periods. Difficulties and dangers must be perceived, and their bearings must be understood, if the problems are to be solved and the menaces are to be averted. For one thing, we have reached the end of the era of unqualified individualism. Every man now realizes as never before that his welfare is bound up with that of his fellow men. The tenant cotton farmers of the South, and the factory hands of New England, understand that they are better or worse off, according to the condition of people in Europe and Asia. For every dozen citizens who ten years ago were studying the news of the whole world because they realized the vital importance of international relations, there are to-day a thousand people who are thus aware of world conditions. Hope for a better future lies in this awakening to the need of wider relationships.

*New Habits  
of  
Thought*

A part of the restlessness of our own American community, for instance, is due to these new habits of thought. In our issue for last month we presented a great deal of information on the sudden fall in the current prices of commodities. Much inconvenience, with some serious hardship, has resulted from the losses incurred by producers. But it is interesting to note the fact that the economic

crisis through which the country is still passing has been faced, not so much with angry outbursts or with blind submission, as with a wholly new kind of comprehending effort on the part of millions of men and women to understand the larger causes and to seek the rational remedies. Wheat farmers, cotton growers, textile workers, and millions of people engaged in other industries, have had the lesson brought home to them that the economic life of the world cannot be stagnant or chaotic in one continent or region without reacting upon the life of other regions.

*Misery and  
the "Internat-  
ional Mind"*

Almost every family in the United States has been sharing during the present season to a greater or less extent in the hardships—or at least the disadvantages—of those profound economic upheavals that are world-wide and that are due to international rather than to local conditions. For the first time in the history of the world there are scores of millions of ordinary private individuals who realize with a considerable degree of intelligence that their own particular troubles are closely related to the similar, though perhaps greater, troubles of ordinary, plain people in distant countries who read and speak other languages. There is more than one way by which the so-called "international mind" may be awakened; and we venture to suggest that the world's present experience of hunger, fuel scarcity, sharply fluctuating prices, depreciated paper currency, paralyzed transportation facilities, housing shortage and abnormal conditions in every aspect of material existence, is doing more to teach mankind the needed lessons of coöperation than the awful tragedies of the war itself had been able to teach. We are learning that the nations must share both gains and losses.

*Farmers  
and Foreign  
Markets*

It is a good thing that American farmers should begin to study the currents of world trade, and to discuss intelligently the best ways to promote the movement of our surplus cotton, wheat and other products to the markets where these commodities are most needed. Secretary Houston of the Treasury Department made a clear and strong argument to the effect that the usual private agencies of commerce should now avail to facilitate all processes of buying and selling. But the demand for reviving the War Finance Corporation in order that Government aid might facilitate the export of farm products prevailed, as against the Secretary's advice and President Wilson's veto. Dr. Houston's argument was along permanent lines of orthodox finance, and its principles were sound. The opposing argument did not dispute Dr. Houston's principles, but urged that Government should function in the present emergency in order that the return to normal methods might be accomplished with less shock. It remains to be seen whether or not the War Finance Corporation can accomplish much in a practical way. Its principal claim to notice lies in the wholly new interest of American farmers and producers in the larger aspects of the distribution and marketing of their commodities. For example, during the war period and immediately afterward there was

an enormous expansion of the condensed milk industry of the United States, due to the demand of armies abroad and also to the necessities of European children. The need of American condensed milk in Europe is still acute, but adverse conditions of credit and exchange had closed many of our factories. If the War Finance Corporation can reopen these plants by financing the export of their product, the benefit will at once be felt by American dairy farmers and by the suffering peoples abroad whose great problem at present is to maintain the health of millions of children.

*Can High  
Tariffs Help  
Agriculture?*

Elsewhere we are discussing tariff conditions in more detail, and doubtless we shall have abundant occasion to return to them in the coming months, since the new Congress must address itself to the revision of the existing schedules. As these paragraphs were written, it did not seem probable that the so-called Fordney Emergency Tariff bill for the benefit of American farming interests, which had passed the House, just before Christmas, would become a law. Mr. Penrose, Chairman of the Senate Finance Committee, at first seeming to oppose it, had afterward changed his position. Nevertheless the Democratic Senators had insisted upon a reasonable amount of debate, and amendments were changing the character of the House measure. Furthermore, it was probable that President Wilson would veto the bill if it came to him, and this might occur at a date too near the end of the session to make it possible to pass the bill with requisite majorities over the White House negative. Apart from the exact provisions of this emergency tariff bill, it is well to have the country consider carefully whether the measure was not based upon false principles. We revert to this question in subsequent pages, for it has serious importance.

*Our Tariffs  
and Our  
Neighbors*

It is extremely important for the people of the United States—and ultimately for the whole world—that the United States and Canada should develop harmoniously. Forcing Canada to build herself up, in the economic sense, as a part of Europe rather than a part of North America would in the long run be beneficial neither to one continent nor to the other. There are probably more advantages than disadvantages in the permanent political separation of Canada and



A LITTLE "PRIMING" WILL DO THE BUSINESS

From the *Tribune* (Sioux City, Iowa)

[Whether or not the revival of the War Finance Corporation is to give substantial relief to farmers, the above cartoon from Iowa shows that the arguments for extending credit were presented in a sane and intelligent spirit.]



the United States. Each country is a great federated republic. Each has all the public business it can manage properly. There is no demand on either side of the line for political union. But it is the imperative duty of the Governments at Washington and at Ottawa to adopt policies making for harmony and good will. It will be a false and short-sighted attitude for the United States to assume, in revising its tariff, to do anything to increase the difficulties of trade across the boundary line that separates us from Canada. On the other hand, the security and the prosperity of Canada, looking to future generations, are bound up with the policies that relate to the hemisphere in which Canada is physically situated rather than to policies based upon traditions of colonial dependence. The article contributed to this number by Sir Patrick McGrath calls attention to the long boundary line across our continent as affecting the enforcement of the Volstead law. The public policies of Canada and the United States are, increasingly, matters of mutual concern, as the liquor smuggling shows.

*Remember  
Recent Party  
History!*

The Republican party in this new post-war period comes into full power by an overwhelming verdict of the people. But its long continuance in power is by no means assured as a mere consequence of the sweeping victory won at the polls last November. Public opinion is not going to abdicate its functions for the benefit of any party whatsoever. The Republican leaders in Congress must not frown upon independence of judgment and expression. The country gave the Republican party a vote of confidence in 1908 on the promise of that party to proceed at once with a real revision of the tariff. Instead of a liberalized tariff, however, the Payne-Aldrich bill was adopted at the extra session in 1909 against the eloquent, wise and courageous protests of about a dozen Republican Senators who justly criticized certain schedules. The public opinion of the country was not slow to deal with the situation thus created. In the Congressional election of 1910 the Republicans met with sharp reverses. In the election of 1912, Democratic majorities were chosen to succeed Republican majorities in both Houses. A special session of this new Congress early in 1913 gave us the Underwood tariff, which met with very general acceptance and which has survived for eight years.



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HON. BOIES PENROSE, SENATOR FROM PENNSYLVANIA

(Mr. Penrose had been ill for many months, and the photograph reproduced herewith shows him as he appeared during recent weeks at Washington without the wheel-chair which he had been using until then. As Chairman of the Senate Finance Committee, his position will remain one of large influence in the new Congress.)

*Our Changed  
Trade  
Conditions*

In the full swing of the political pendulum which now brings the Republicans back to power, the tariff question was not one of the impelling considerations. Nevertheless, economic conditions have changed so profoundly that the tariff schedules must be thoroughly examined with a view to such changes as may be beneficial. It used to be a favorite doctrine of Woodrow Wilson that tariffs ought to be revised and reenacted every year from the revenue standpoint, as part of a proper national budgetary system. Undoubtedly the question of revenue must be considered in any general revision of the tariff. In the opinion of experts, the average percentage of duties on imports forming the wall of protectionism was a little higher in the Payne-Aldrich tariff than in preceding tariffs. The average height of this protection wall as fixed in the Underwood tariff remained very formidable, although it was appreciably less high than the Republican measure of 1909. In this year's pending tariff revision, the important thing to remember is that the United States has now become a creditor country on an immense scale. Never has such a change in international business relations come about with such suddenness.

*Are Protective  
Tariffs  
Obsolete?*

The protectionism of Alexander Hamilton, Henry Clay, James G. Blaine and William McKinley was based upon the facts of our economic development and our trade as they appeared throughout the nineteenth century. We have now built a great merchant marine and have far outgrown the demands of our home market in many lines of production. A kind of protectionism that would keep our ships idle, and would lock heavy doors against various movements of external commerce, would probably cost us in dollars and cents a great deal more than it could benefit us. Such a policy would make it practically impossible for foreign countries to pay interest upon what they already owe us. Furthermore, such a policy would dam up our surplus products here at home and tend to give permanence to our recent conditions of stagnant markets and widespread unemployment. In short, the Republican party must deal very broadly and liberally in its handling of the tariff question, or else it will receive an unwelcome shock in the Congressional elections which will occur in November of next year. The new Republican tariff must not be written by special interest lobbies, concerned only with particular clauses of the different schedules. There must be a tariff policy that is inspired by statesmanship, and that is in harmony with the longings of plain citizens in all countries for international coöperation.

*A  
Painful  
Interregnum*

Before this issue of the REVIEW reaches its readers, it is quite possible that the President-elect will have announced his Cabinet appointments. It will be a great relief to the country to have the new administration installed and at work. We have repeatedly set forth the embarrassments that arise from the failure of our Constitution and laws to provide for a prompt induction of the President-elect into his office. Since the election in November, the Wilson administration has lingered on without prestige or influence. The whole governmental machinery has been marking time. Even foreign governments have somewhat transgressed the rules of diplomatic etiquette by allowing it to be known that they were impatient to take up various matters with the Harding administration, and were considering it scarcely worth while to do business with a "government" that had been "voted out," so to speak, as long ago as last November. It is only fair to say that the

same situation existed eight years ago, when the Republican defeat was almost or quite as emphatic as the recent Democratic defeat.

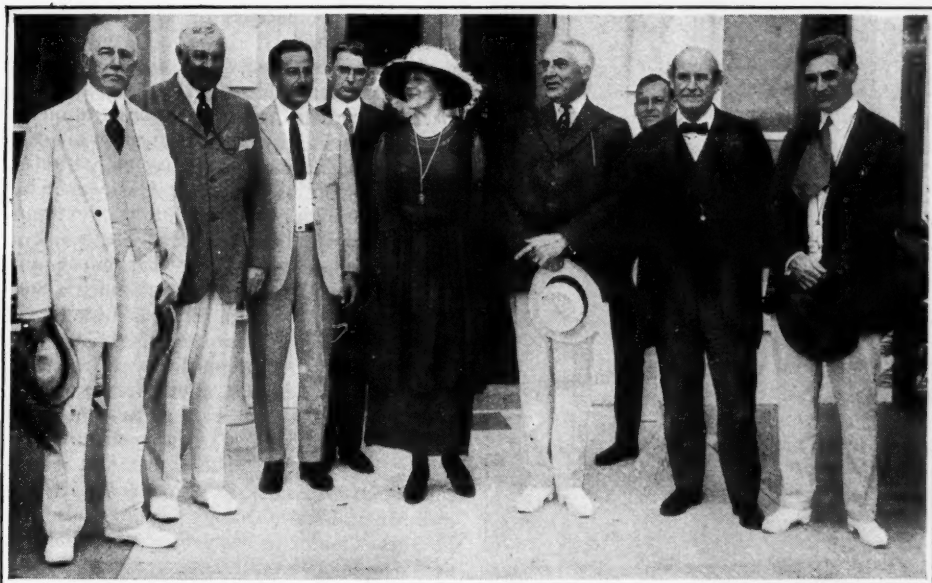
*The National  
Prestige  
Suffers*

The Taft administration had lost prestige and influence, so that the Mexican question and various others were in suspense at a time when we needed a Government that was functioning with full power of decision and of action. It merely happens that just now the problems of government are more numerous and acute, following a stupendous war, than in any of those previous periods of embarrassment when the country was passing through a virtual interregnum of four months. It is not to our credit that we continue to be the victims of a stupid and clumsy arrangement which could easily be remedied. No other great country thus brings its own agencies of government into contempt. When the Leygues Cabinet, for example, lost the confidence of France as represented in the Chamber of Deputies by an adverse vote on January 12, the new ministry under Briand's



HON. FRANK B. WILLIS, NEW SENATOR FROM OHIO

(Mr. Willis will be among the most influential of the new Senators. His magnetic speech at the Chicago Convention presenting Harding's name will be remembered by thousands of listeners. For a dozen years he was a professor of history and economics in Ohio, and he served two terms each in the State legislature and in Congress. He was Mr. Cox's predecessor as Governor of Ohio)



THE PRESIDENT-ELECT, ON VACATION IN FLORIDA, VISITS A FAMOUS DEMOCRAT

(While cruising in Florida waters with Senator Frelinghuysen, of New Jersey, Mr. Harding was cordially greeted by many fellow-citizens regardless of party. At Miami he called upon Hon. William J. Bryan, who has a winter home at that favorite resort. In the group above, one recognizes excellent pictures of Mr. Harding and Mr. Bryan. From left to right are: Dr. Albert H. Ely, Senator Frelinghuysen, W. J. Bryan, Jr., Mrs. Owen [Mr. Bryan's daughter], President-elect Harding, Mr. Bryan, and George B. Christian, Jr., Mr. Harding's secretary.)

lead was installed and at work after an interval of only four days; and this interval was a little longer than is usual in the shifting of French Cabinets. Our system, of course, is quite a different one; but when we elect new Governors and new legislatures in our States, we set them at work with reasonable promptness. There is no reason at all why we should not swear in a new Congress promptly, and instal a new President very soon after his election.

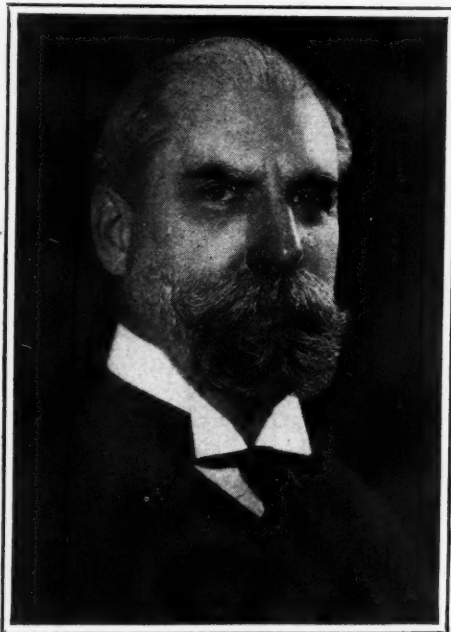
*Harding  
Prepares for  
His Job*

Mr. Harding has been thoughtful and consistent in every way in his efforts to preserve the rôle of a private citizen. He resigned his seat in the Senate early in January, and the new Governor of Ohio appointed Mr. Willis to fill the vacancy. It will be remembered that in any case ex-Governor Frank B. Willis would enter upon his six-year term as Senator Harding's successor on March 4. The President-elect remained at his home in Marion, Ohio, for a number of weeks after his election, where he was visited by a large number of individuals from time to time with whom he discussed public policies. This period was interrupted only by a brief vacation trip to the Texas coast, which was further extended to the Panama Canal. In Jan-

uary the President-elect went to Florida for a real vacation, and for final consideration of Cabinet appointments and of the matters to be presented in his inaugural address. It may be asserted without hesitation that through this rather trying interval between election and inauguration Mr. Harding has grown steadily in the confidence of the country. Fortunately there was no room for growth in the country's good will, inasmuch as it is the happy characteristic of the American people to accept with great cordiality the man who has gained majority support in a Presidential election. We are glad to present in this number a special article on Mr. Harding as he has borne himself through this period, from the pen of a writer better qualified than almost anyone else to write about our coming President.

*The Most  
Important  
Cabinet Post*

Those who have retentive political memories have not forgotten that there is always a good deal of newspaper speculation about Cabinet appointments, during the waiting period after each Presidential election. It is the common impression, however, that there has been more of this newspaper discussion of Cabinet "slates" in the past few weeks than ever before. We have preferred to wait for



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HON. CHARLES EVANS HUGHES, OF NEW YORK

(Mr. Hughes, who will be fifty-nine years old on April 11, is one of the most eminent jurists and public men of our generation. But for a curious accident of politics in California, he would now be completing a term as President of the United States. He had earned a great reputation as lawyer and political reformer when he was twice made Governor of the State of New York. In 1910, at President Taft's urgent request, he accepted a place on the Supreme bench at Washington. He served for six years with distinction, and left the bench in 1916 to take the nomination of Republicans and Progressives for the Presidency. Through the war period he rendered valuable service in various ways, especially on the Draft Board. It was understood last month that he had been offered the Secretaryship of State by Mr. Harding.)

authentic announcements, rather than to assume that any choices had been finally made. International problems are so much more pressing than any others that the selection of a Secretary of State has deservedly aroused more attention and interest than all the other Cabinet appointments put together. Mr. Elihu Root has long been so prominent as America's leading statesman in the field of foreign affairs that there was a great public desire to see him take the leading place in the Harding Cabinet. It came to be the accepted opinion some weeks ago, however, that Mr. Harding would appoint the Hon. Charles E. Hughes of New York as Secretary of State. When one reads the long list of items of important business now pending in the State Department, it needs only a moment's reflection to understand what a heavy burden of work the new Secretary of

State must shoulder. If the Harding administration is to deal successfully with these many questions, it must have all the first-rate help that it can secure. Mr. Root might be the more free to help the administration in the adjustment of some of the most difficult problems, if he were not charged with the general responsibilities of a Cabinet office. Mr. Hughes is a younger man, with extraordinary capacity for getting at the heart of difficult situations. The headship of our foreign office just now is not so much a post of honor as one of immense labor and responsibility. The appointment of Mr. Hughes would go very far to enhance the prestige of the Harding administration at home and abroad from the very outset. Seldom has a Secretary of State had such opportunity to render signal and historic service to the country as will fall to the lot of the leading member of Mr. Harding's Cabinet. If Mr. Hughes should be named, the verdict of public opinion would be exceedingly favorable.

*Cabinet  
"Team-work"  
Needed*

As regards the Cabinet in general, the most important thing is that it should be restored to its traditional place in our system of government. Mr. Wilson has had excellent men as department heads, but there has not seemed to the country to be any such thing as a Cabinet group fully consulted by Mr. Wilson, and bringing the strength and prestige of their hearty accord to the support of the administration's decisions and policies. Far from being a united administration, there has been some evidence of positive discord, along with much negative evidence of a lack of teamwork. For example, the differences between the Department of Justice and the Department of Labor have seriously hurt the standing of the administration. One of the chief tasks of the Harding administration must be the rearrangement of government bureaus, and the compacting of the executive machinery to curtail waste and to secure results. Soon after these comments are in the hands of our readers, the present heads of departments will have welcomed their successors with the usual marks of courtesy and good will, and the ordinary routine of government will continue without any jar or interruption. Next month we shall have ample opportunity to characterize the new heads of departments, and to forecast somewhat their treatment of the business they find on their hands. Mr. Harding has had much more



to consider than the selection of individuals in a detached way. He has had the names of many excellent men on the list of eligibles; but he has sought to unify the Executive influence by selecting a harmonious group, while also seeking to assure hearty coöperation between the Executive and the Legislative branches of government.

*The Making  
of Harding's  
Cabinet*

There is no reason to think that the American public had any desire to pry into the working of Mr. Harding's mind as he was considering the make-up of his Cabinet. Generally speaking, the newspapers may be regarded as supplying the public with what it likes to read. But in this matter of the daily making and unmaking of Mr. Harding's Cabinet, the newspapers exhibited something like auto-intoxication. For many weeks they indulged in a wild frenzy of excitement, while the readers looked on in calm amazement. Even the least sensational papers devoted countless columns of serious editorials to almost every casual rumor relating to one portfolio after another. Never before had it been so widely assumed by the press that a Presi-



HON. CHARLES GATES DAWES, OF CHICAGO

(For several weeks in December and January, Mr. Dawes was the favorite guess of the newspapers for the Treasury portfolio. Early in February he declared that he neither expected nor desired any public office. During the war he held the rank of Brigadier-General and was in France at the head of the Army's business of buying supplies. He worked in close accord with General Pershing, and the country owes much to his swiftness of decision and keenness of judgment. Before an investigating committee at Washington last month he vindicated the Army's expenditures abroad, and explained the sale of surplus army supplies in France after the armistice. He is about to publish a book dealing with those great transactions. He was once Controller of the Currency at Washington, and has long been head of a large bank in Chicago.)



HON. ANDREW W. MELLON, OF PITTSBURGH

(Mr. Mellon is one of the most successful of American bankers, and has long been identified with Pennsylvania's iron and steel industries and with the production of coal and coke. He was strongly favored by important political and business interests for the position of Secretary of the Treasury. He is a citizen of public spirit and high repute, and has been supported upon his merits and fitness.)

dent-elect was changing his mind every day as a result of mere clamor. It was obvious that selections would not be assailed if they were announced authoritatively. On the other hand, the publication of rumors subjected many men whose names were brought forward to much embarrassment, if not to disagreeable attacks. For a time it was the accepted view of the press that Mr. Charles G. Dawes of Chicago would be Secretary of the Treasury. Later it was the opinion that this place would be held by a Pittsburgh banker, Mr. Andrew W. Mellon. It was confidently expected that Hon. John W. Weeks of Massachusetts would be in the Cabinet, and it was regarded as probable that Governor Lowden of Illinois would also be named, perhaps as Secretary of the Navy, with Mr. Weeks as Secretary of War. But it was also intimated that Mr. Lowden might accept an important ambassadorship.

*Rounding  
Out the  
Group*

It was definitely announced that Mr. Will Hays, chairman of the Republican National Committee, would succeed Mr. Burleson as Postmaster-General. It was reported early in February that Senator Fall of New Mexico would probably be Secretary of the Interior. As the only appointment regarded as strictly personal and political, it was announced that Mr. Harry Daugherty of Ohio would be appointed Attorney-General. Mr. Daugherty had been the manager of the preliminary Harding movement for the nomination at Chicago. It also was the settled opinion that Mr. Henry Wallace of Iowa, editor of a farmers' weekly, would be made Secretary of Agriculture. It was expected that the Secretary of Labor would be a man who had a record as a trade union official, and that the Secretary of Commerce would be a man of high business capacity and repute. Furthermore, it had been distinctly declared by Mr. Harding that he intended to have the counsel of the Vice-President, Mr. Calvin Coolidge, as virtually a member-at-large of the Cabinet group. If we are to have a Cabinet really working together for the good of the country and the success of the administration, we shall have it upon one condition, namely, the attitude and method of the President himself. And there is good reason to believe that Mr. Harding will work with his Cabinet in full and frank accord.

*The Tariff  
in  
Congress*

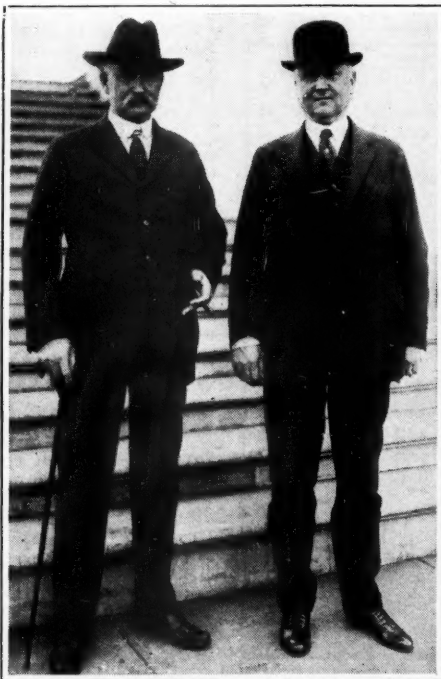
The Fordney "Emergency Tariff Bill" received more or less desultory attention in the Senate during the first half of February. Any incisive and deliberate discussion of the merits of the bill was prevented by the jam of legislative tasks, including Senate action on the regular appro-

priation bills, as well as by a half-hearted interest in the Fordney measure on the part of many of those who were prepared to vote in favor of its passage. The bill as passed by the House provided for a duty of 30 cents a bushel on wheat, which had previously entered the United States free. A Senate amendment increased this duty to 40 cents.

*The Aim  
of the  
Fordney Bill*

It will be remembered that this Emergency Tariff bill had been introduced in the House by Representative Fordney last December, in response to various demands from agricultural sections of the country for some Congressional action that would help the farmer in his present business plight. With wheat, cotton, corn, oats, and livestock produced in 1920 under the weight of the abnormally high costs for labor, fertilizer, and farm machinery, the farmer is obviously confronted with a troublesome profit-and-loss account, after the heavy vertical declines in the market prices of these commodities which have come since last spring. No one can gainsay the fact

that many farmers are not only without profit for their year's work, but have received nothing for their own labor and have lost heavily over and above that. It is undeniable, too, that a great part of the present difficulty the country is finding in getting back into its stride in trade and industry is due to the extraordinarily sudden and considerable loss in general purchasing power resulting from the farmers' new and unfortunate economic condition. So this temporary tariff bill was designed to afford a measure of relief to farming communities; also to increase revenues by revising heavily upward the tariff rates on wheat, cotton, wool, potatoes, corn, beans, livestock, meats, etc.



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SENATOR ALBERT B. FALL, OF NEW MEXICO, AND  
MR. HARRY M. DAUGHERTY, OF OHIO

(The distinguished Senator from New Mexico was last month persistently reported to be Mr. Harding's choice for Secretary of the Interior, while Mr. Daugherty was similarly designated as Attorney-General)



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**THE WAYS AND MEANS COMMITTEE OF THE HOUSE OF REPRESENTATIVES, NOW ENGAGED IN PREPARING A GENERAL TARIFF-REVISION MEASURE FOR PRESENTATION TO THE NEW CONGRESS**

(The members of the committee, starting with Chairman Fordney, who sits in the foreground of the picture, at the left, with a paper in his hand, and going around the far side of the table, are: Nicholas Longworth, of Ohio; Allen T. Treadway, of Massachusetts; Henry T. Rainey, of Illinois; James A. Frear, of Wisconsin; Isaac Bacharach, of New Jersey; Charles B. Timberlake, of Colorado; Henry W. Watson, of Pennsylvania; Clement C. Dickinson, of Missouri; Cordell Hull, of Tennessee; Whitmell P. Martin, of Louisiana; John M. Gardner, of Texas; Charles R. Crisp, of Georgia; William A. Oldfield, of Arkansas; James W. Collier, of Mississippi; Lindley H. Hadley, of Washington; John Q. Tilson, of Connecticut; George M. Young, of North Dakota; Willis C. Hawley, of Oregon, and William R. Green, of Iowa)

**A  
Futile  
Measure**

The debates, in Congress found the opponents of the bill declaring that it would send the cost of living higher, and its supporters contending that it would save agricultural industry. It seems certain, as a matter of fact, that whereas such a measure would probably increase the cost of living somewhat by raising the prices of certain products to American consumers, it would surely have no appreciable effect in helping American farmers. The United States is, of course, a great exporter of wheat, and the world prices of cereals are still practically reflected from the market at Liverpool. To put on a duty of 50 cents a bushel, with the illusory hope of keeping out of the United States a certain portion of the Canadian crop, would certainly not benefit the American farmer sufficiently to compensate for the obstacle this portion of the tariff wall would make to gradual progress toward a new normal equilibrium. A tariff of even a dollar a pound on cotton could hardly be of help to the planters of the South, now getting only 12 and 13 cents, for the reason that there are no appreciable quantities of this staple imported to compete with them.

**General  
Tariff  
Revision**

This Emergency Tariff bill is not, as suggested above, taken with the utmost seriousness even by many of those who appear to be most ardently supporting it; but it raises the real

problem of general tariff revision which will confront the Republican administration and the first session of the new Congress. Much has been heard of the duty and aim of the coming administration to erect a stronger tariff wall about the United States which would prevent the dumping of vast quantities of manufactured goods from Europe upon our markets—goods that will have been produced under the lower costs and poorer workmen's living conditions—and which would also intercept a very much larger body of revenue to aid in meeting our already puzzling fiscal obligations. It is true that import tariffs, just as other forms of taxes, direct and indirect, should, on general principles, be revised from time to time and at intervals sufficiently short to make them march hand-in-hand with the appropriation of the money they produce. It is also true that there are certain items in the present Underwood tariff law that should undoubtedly be changed. With some of them a revision upward is probably desirable; with others a revision downward will probably produce more revenue. At any rate, the whole business must be the subject of an expert Tariff Commission later on this year. It may even be possible that a few particular industries created by the war, such as the manufactures of certain chemical and dyestuffs ought to be protected to a point somewhat beyond that indicated by the general international exigencies of the time—

partly because in a few isolated cases it might be fair dealing not to leave industries called into existence by the immediate needs of war-time to the tender mercies of German competition, but chiefly because there may be a few such industries that could only with difficulty be revived in case of a new emergency.

*No General  
Tariff Increase  
Possible*

But even the most stalwart upholders of the philosophy and practice of the high protective tariff system see clearly that the new financial and industrial relations of the United States to the rest of the world absolutely preclude any workable plan for an era of exceptionally high tariffs designed to afford maximum protection to American manufacturers and their workmen. For these relations of ours toward Europe are altogether a new thing and utterly change the situation. Instead of being a debtor nation, we are the creditors of Europe to an enormous figure. First, there is the ten billion dollars of money we loaned the Allies. Second, private investors in America are creditors to the extent of one-and-a-half to two billion dollars represented by foreign bonds held here in private hands. Finally, there is a floating debt due individuals in the United States estimated at no less than four billion dollars. Europe cannot pay the interest on these great sums in gold, much less the principal. One of her historic means of payment—that of doing our shipping for us—is no longer open to her, as the course of development of our merchant marine will rather turn the balance in this item on the other side, and in our favor. Only one other way remains to collect our debt, and that is by taking imports of goods from our debtors. This, obviously, is entirely incompatible with the existence of tariff schedules designed to keep those goods out. It was undoubtedly a recognition of this situation that kept out of the platform of the Republican party a pledge for a general increase of tariff rates on account of “the uncertain and unsettled conditions of the international balance and the abnormal economic and trade situation in the world.”

*Appropriation  
Bills and  
Taxes*

While there has been during the month no formal discussion in Congress of impending changes in the scheme of federal taxes, occasional debates on particular tax problems serve to give some idea of how the Congressional mind is working in this field. It looks as if the excess-profits tax would certainly go.

The many voices raised from all sections of the country in condemnation of this feature of the present law apparently convinced Congress that the excess-profits tax does operate to raise final prices unduly, and that the device is otherwise inequitable and a bad thing for industrial health. Even more certain seems to be a refusal to pass any form of sales tax to raise the revenue lost through abolition of the excess-profits schedule. A lengthy attack on the sales tax by Representative Frear was both violent and able, and evidently found sympathetic hearing whatever the merits or demerits of the matter. A heavier blow was given to the hopes of the many enthusiastic advocates of a sales tax by the comments of Mr. Good, chairman of the House Committee on Appropriations, who is reported as saying that such a measure would bring any party to “humiliating defeat.” There are political reasons why it would be extremely difficult to pass either a tax on “turn over” or final sales. The cry would be, and it is heard already, that such a device means, in the last analysis, contributions from the poorest people in the country and but little more, in proportion to resources, from the richest. It would be too easy to picture the laborer’s pound of coffee paying just as much as Mr. Rockefeller’s, and, collectively, vastly more.

*Economy  
to the  
Fore*

What, then, can be done to fill up the revenue hole left by the withdrawal of the excess-profits tax? Cutting down appropriations is the only alternative. Chairman Good reported on February 9 that his Committee on Appropriations had already cut out \$800,000,000 from the bills they were dealing with, and that they were confident of holding the cost of running the nation’s affairs during the next fiscal year to a sum below \$4,000,000,000. In fact, Mr. Good said that the Appropriations Committee began its work with the definite policy of keeping the bills before it to a total of not more than \$3,500,000,000. The Army bill, which originally called for \$700,000,000, has been cut down to \$308,000,000. The Sundry Civil appropriation bill was estimated at \$804,000,000, but, as reported to the House, it carried \$383,000,000—a saving of \$421,000,000. Mr. Good advocates a tax on automobiles that would raise \$200,000,000, and tobacco and liquor taxes that would add a quarter of a billion or more to the revenues and would allow the repeal of the taxes on trans-



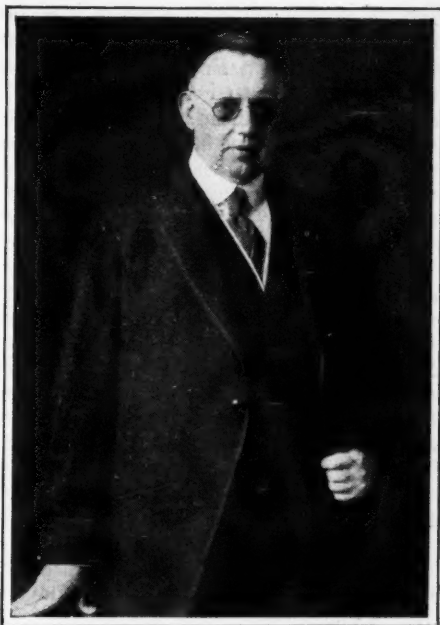
portation. Whatever the value of Mr. Good's detailed suggestions as to new and old taxes, his committee is evidently doing yeoman's service in cutting down expenses; and the problem of paying our bills next year begins to look less troublesome than it appeared a few weeks ago.

*The  
Business  
Situation*

Evidences are multiplying that there will before long be an improvement in the general business situation. The textile mills of New England have begun to operate again, with wages reduced between 20 and 25 per cent. There is some business being done in woolen, silk, and leather goods, whereas, recently, there was virtually none. The farmers are, however reluctantly, marketing their crops and reducing their loans, and banking conditions have become much better. There is no longer any talk of a "panic," while the bankruptcies that have come to life, though more numerous than in the past two or three years, have not been important. Governor Harding, of the Federal Reserve Board, in an address on February 5, stated emphatically that all danger of a financial collapse has passed. From his vantage point in the center of the great Federal Reserve system, he sees two crises in 1920, "one, in October, when the farmers became uneasy, and the second, in December, when the feeling of pessimism spread to the cities." Mr. Harding feels that the country has now returned to its normal state of mind and that the year 1921 will be one of constructive growth. Perhaps the most acute symptom of the approaching resumption of normal trade is the remarkably low stock of goods held by both retailers and wholesalers. A brief shopping experience for any layman will bring evidences of this condition, and obviously it means that there will soon be at least a moderate activity in purchasing to replenish these stocks.

*Industrial  
Equilibrium  
Needed*

The most serious obstacle to a world resumption of orderly and profitable business is the uneven nature of the decline in prices. As Mr. George E. Roberts points out in the remarkably clear-headed and well-written bulletins on business conditions issued by the National City Bank in New York, the main thing necessary for trade activity and prosperity is "the maintenance of equilibrium in industry so that the various branches of industry will continue to be mutually supporting. The



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HON. W. P. G. HARDING, GOVERNOR OF THE  
FEDERAL RESERVE BOARD

(Mr. Harding declares that all danger of a financial collapse has passed, and that the present year will be one of constructive growth)

market for the products of each industry is with the people employed in the other industries. This means that the prices of products must maintain a fairly uniform relation, or distribution will be interrupted and production will have to be curtailed." But as a matter of fact, as Mr. Roberts points out, the farmer sees his staple products near pre-war prices—or much nearer than they are at retail—while foodstuffs last December were still over 70 per cent. above pre-war prices, clothing was 150 per cent. higher, and furniture 205 per cent. higher. When the clothing manufacturers are attacked, they can show that their reductions in the cost of cloth count very little in the total cost of the suit of clothes, and that wages, fuel, freight, taxes, machinery, and supplies are still on the high level.

*Wages  
and  
Unemployment*

In the all-important process of getting a new alignment of these interlocking costs, wages constitute the chief factor. The Department of Labor has recently given out figures indicating that there had been a decrease of nearly

3,500,000 persons employed in industry in the United States in January, as compared with the year before. Mr. Frank Morrison, Secretary of the American Federation of Labor, estimates that the number of the unemployed at present is between 4,000,000 and 5,000,000. Thus there has been a drastic cut in the wages paid to American workers through the unemployment of these millions, but the cut is by a method which has no direct value in getting back to normal. If the money not paid to the unemployed had been saved in the cost of production, through lower rates of wages while all were kept at work, we should have been much farther on our way toward good times. The outstanding difficulty in making an effective but fair readjustment in the rates of wages is that while wholesale prices have shown a drop of about 35 per cent., the costs of living, or retail prices, show a decrease of less than 10 per cent. from the highest figures reached. Thus the obstacles to wholesome and orderly resumption of activity and prosperity run in a vicious circle.

*The  
Railroad Wage  
Problem*

In no branch of industry, just at present, is the problem of readjusting wages so acute as with the transportation lines of the country. Along with the radical increase in freight rates and passenger rates last December came, almost simultaneously, the virtual stoppage of the wheels of industry. Perhaps it is true that the higher rates themselves served in some small measure to discourage the offering of traffic to the roads. But even if they had not done so, the stagnation of business throughout the country would still have been a sufficient reason for most of the vast decrease in the volume of traffic seen in the last few months. Thus we have the new régime, with the railroads under the provisions of the Esch-Cummins Act receiving on the one hand very much higher rates for freight and passenger fares; and, on the other hand, paying their employees \$3,700,000,000 a year as against \$1,700,000,000 in 1916, and also confronted with the very great decrease in traffic. The result is that instead of earning as a whole 6 per cent. on their value (as it has been estimated by the Interstate Commerce Commission), the roads are receiving only about 3.6 per cent. This rate is not sufficient to maintain the transportation business, and the only other recourse is a vigorous pruning of the cost of furnishing transportation. Addressing themselves to this task, several

railroads have thrown out of employment many thousands of their employees. This furnishes another example of wages being on the whole too high as compared with other conditions, resulting in a very real disadvantage to the workers themselves.

*The  
"National  
Agreements"*

According to the railroad executives, the most serious present obstacle in the way of reducing operating costs is found in the so-called "national agreements" between the roads and their employees. These agreements were instituted during the federal administration, and specify and standardize the rules and conditions under which the men work. At the end of January, Mr. William W. Atterbury, chairman of the Association of Railway Executives, appeared before the Railway Labor Board and asked immediate abrogation of these national agreements, maintaining that quick relief was necessary to save many of the roads from bankruptcy. Mr. Atterbury promised on behalf of himself and his associates that basic wages would not be reduced for at least three months if the roads were relieved of the higher costs resulting from the national agreements. He estimated the saving at \$300,000,000 a year. The railroad workers, through the Employment Department of the American Federation of Labor, answered Mr. Atterbury's demand with charges of extravagance in management, and sent a telegram to President Wilson asking him to investigate the statement of the managers and place the matter before Congress immediately. This the President refused to do.

*What the  
Agreements  
Mean*

Under Government operation, bold attempts were made at standardization of wages and working conditions of the roads, which the railroad managers claim have resulted in real unfairness, ruinous waste, and inefficiency. They claim that these broad, technical classifications resulted, in certain instances, in day laborers receiving the wages of highly skilled mechanics; in other cases, they say a man with nothing to do between eight o'clock in the morning and four o'clock in the afternoon gets a full day's wage, while if something does happen to come up to busy him between four and six o'clock, he must get altogether a day and a half pay for two hours' work. Railroad managers particularly complain of the inefficiency of the shopwork under the hour-rate pay instituted by the

federal administration, as against the piece-work system. Their figures show that the shop work of the roads in 1916 was done by 356,258 shopmen at a total cost of \$317,000,000. Judging from last January's results, the same work will, in 1921, occupy 794,000 men and cost \$853,700,000.

*The Attempt  
to Reduce  
Wages*

The first specific attempt on the part of the railroads to reduce this general wage scale came in the last week of January in the application of the Atlanta, Birmingham & Atlantic Railroad to the United States Labor Railway Wage Board for authority to cut down the pay of its employees. The instance was of importance in the fact that it elicited from the Labor Board its policy in such cases which will presently be numerous and crucial. The board held that it should take no action at all, and that the Transportation Act provided for appeal to it only after the employees and management had failed to reach an agreement. It prescribed the method that a railroad should pursue under present circumstances in such a case: instead of posting notices of wage reductions, the road should notify its employees that a readjustment is desired and then attempt to reach an agreement on a new scale. The whole matter of the railway wage scale is of such imminent importance that the first moves in the matter have real significance. Some executives believe that adjustments can be peaceably made with employees; but the majority are inclined to the view that the unions will fight any reduction in wages to the bitter end. It looks as if the roads would soon be confronting the crisis of their history and that there will be no choice between a dispute with the unions and bankruptcy.

*Huge  
Foreign Trade  
of 1920*

To the surprise of economists and business men, the report from the Department of Commerce on foreign trade for 1920 showed a volume of trade greater than that of any other year in the history of this country or, for that matter, any other country. The total was \$13,507,000,000, exports being valued at \$8,228,000,000 and imports at \$5,279,000,000. These figures show an increase over 1919 of some \$300,000,000 in exports and no less than \$1,375,000,000 in imports. This produced a trade balance last year of about three billion dollars in our favor, as against a favorable balance the year before of about four billion dollars. It is

true that one explanation of these gigantic totals is the abnormally high prices of practically all goods during the first months of 1920; but it remains very extraordinary, in the face of general reports of stagnation in the shipping business and overseas trade, that exports of last December should increase \$45,000,000 over November and \$38,000,000 over December of 1919, when prices were much higher.

*Europe  
Takes Less  
From Us*

As a whole, however, it is true that the outflow of goods last year was not in such quantity as in the year before, and that upon the same price basis, exports would have shown a decrease of \$700,000,000. In the matter of imports, the quantity, too, for 1920, was greater than that for 1919, although the dollar value exceeded that of the year before by much more than the quantity increase. There was a decided decrease in our export of goods to Europe in 1920, exports to the United Kingdom alone falling to \$1,810,000,000 as against \$2,279,000,000 in 1919. Shipments to Germany, Austria-Hungary, Poland, Spain, and Turkey increased more or less importantly. Exports to Europe, as a whole, declined by \$700,000,000, or 13.3 per cent. Apart from Europe, increases in exports were the rule, especially to Canada and Cuba. To Canada, exports grew from \$734,000,000 to \$970,000,000, and to Cuba from \$278,000,000 to \$520,000,000.

*Our New  
Merchant Marine  
In Trouble*

The great Merchant Marine fleet of the United States, created almost overnight by the forced exigencies of war, is passing through a troubled period. Elsewhere in this issue is printed an article from Mr. Théodore M. Knappen, on the organization of our Government-owned merchant fleet. With the rapid increase of shipping facilities throughout the world and the recent falling-off in trade, due chiefly to the unbalanced exchanges of the various countries, the golden money-making opportunities of war times for ocean-going vessels have completely ceased, and most of the shipping companies are having the hardest kind of time to keep alive. Indeed, many of the newer pioneer lines hastily created in response to the intense demands of the war period are already in the hands of receivers. In a recent address before the National Republican Club, Mr. W. Averill Harriman, son of the late E. H. Harriman, and head of the very ambitious American

Ship and Commerce Corporation, spoke in no uncertain terms of the present chaotic conditions and of the measures necessary to prevent these newly constructed fleets from going to disaster.

*"Our Merchant Marine is Dying"* Mr. Harriman said that at present both the Government-owned ships and private lines are half empty. Most of the freight-carrying vessels are not paying their charges, and in his opinion American passenger ships cannot compete at all with foreign lines while prohibition is in force on American vessels and not on the ships of other nations. The "American merchant marine is dying," Mr. Harriman said. His views of the present condition of things and of some of the preventable causes are typical of the opinions of our captains of industry in the shipping trade; and it is worth while to look at the reasons as he sees them, for so disastrous a situation, outside of the general depression caused by the world reaction in trade.

*Handicaps of Government Policy* Shipping men emphatically assert that neither the private lines nor our Government-owned ships can in the least compete with foreign vessels so long as the present Government policy in regard to wages and other restrictions is

maintained. Vessels of the United States are forced under the law to pay more wages and also to carry more men; they must submit to inspections which they call antiquated, and which are certainly costly. When it is argued that American seamen are more efficient than foreigners and are therefore worth more money, the shipping men very pertinently ask why, if that is so, American vessels must be forced by law to carry more of the efficient native sailors to do the same work that a smaller number of less efficient foreigners are actually doing. Mr. Harriman plainly intimated in his address that there was danger of a rate war between the privately owned lines in America and the vessels of the United States Shipping Board.

*The Rapid Output of Ships* In the meantime, the building of ships throughout the world, but especially in Great Britain and the United States, has been going on at a pace never seen before. Lloyd's summary issued on January 24 showed that there were launched in the United Kingdom last year 618 merchant vessels of 2,055,000 tons—the largest output in the annals of British shipbuilding. Construction in the United States during 1920 was even larger, the launchings for the year aggregating 2,476,000 tons. American shipyards have been especially busy in the construction of oil-tankers, in response to the great world demand for transportation facilities for petroleum—a demand created by the extraordinary growth of petroleum production in Mexico, South America, and other countries from which the crude output must be brought to refining and consumption centers by ships. Of these oil-tankers the United States built last year 567,000 tons, while Great Britain produced only 63,400 tons and all other countries 8000 tons. In spite of these record figures of ship production it is already apparent that falling ocean freight rates and intense competition will soon tend to cut down the output of new facilities, and already there is being reported decreases of work in hand at the shipyards.

*Bills to Regulate Coal and Meat* Two bills have been introduced in Congress designed to give Government control and regulation of the two prime necessities, coal and meat. Senator Calder of New York was father of the measure regulating the coal industry. It confers powers on the Trade Commission, the Interstate Commerce Commission, and the Geological Survey, to obtain



ANOTHER YEAR, WITH THE PROPER TRAINING  
From the Rocky Mountain News (Denver, Colo.)



publicity as to the causes of conditions in the industry. It goes on to require every operator and dealer in coal to take out a federal license and furnish the Government with all necessary information, on penalty of \$5000 fine or two years imprisonment. Power is given to the President to manage the licensing; and extensive authority is vested in him to fix emergency prices and to control production and distribution. A special committee on Housing and Reconstruction has investigated the coal industry, and has decided that profiteering in coal has been clearly proved; but it admits that "there exists considerable controversy as to exactly who is responsible and to what extent."

*The  
Meat Packing  
Industry*

In the latter part of January the Senate passed a bill for the regulation of the meat packing industry which reflected the idea of the livestock growers that they are unjustly treated in selling their product, as well as the general public feeling that a virtual monopoly of the packing industry has brought the price of meats higher than it should be. In answer to these influences the Senate bill would create a Federal Livestock Commission of three members appointed by the President, with the consent of the Senate. The bill is rather vague, requiring reasonable prices and forbidding unfair practices without satisfactory definitions of either. Packers and stock yards must take out federal licenses, which require them to furnish any information the Livestock Commission may demand. It can hardly be said that the very serious charges preferred more than two years ago by the Trade Commission against the "Big Five" meat packers have been satisfactorily proved.

*The Packers'  
Side of the  
Story*

The representatives of the industry have convinced every fair-minded man who examined their side of the case, that their business is conducted on a really minute margin of profit, which is probably smaller than in any other industry comparable to theirs—an achievement largely due to their energetic and ingenious utilization of by-products. Furthermore, the operating reports of these larger packing businesses, which have been published within the last few weeks, show that in the last year of their operations their actual profits were extremely small—so small, in important instances, that there was clearly not a fair net return on the capital invested. In face of this showing, it is much to be

doubted whether the establishment of the Livestock Commission, if the bill finally becomes a law, would result in lower prices of meat to the ultimate consumer. So far as the matter of price is concerned, the problem seems to be one of retail distribution rather than of inefficiencies or profiteering on the part of the packing industry.

*New York  
City's Traction  
Puzzle*

The traction problems of New York City have helped to start Governor Miller's State administration with unusual activity and acrimony. It was a very big task that confronted the State executive, and one which he has tackled with promptness and courage. The metropolitan passenger lines have outstanding no less than \$850,000,000 of bonds in the hands of the public. They carry over 2,200,000,000 passengers a year. No less than half a billion dollars more are needed to provide adequate and efficient service for the people of the largest city in the world, and there is no way of getting this money until the present tangle is straightened out. The city is close to its debt limit and could not raise one-fifth of the needed sum; no private investor would invest a dollar while the existing corporations are failing to earn their fixed charges by such a large margin as ten or eleven million dollars per year. In the meantime, surface lines are being abandoned, leaving residents of Brooklyn to walk to the main arteries, and on the subways themselves the crowding of straphangers into cars through most of the day, in the desperate effort to economize and avoid bankruptcy, is absolutely indecent. The city has \$200,000,000 invested on which it is receiving, under the preferential payment plan, no interest at all; and it is obligated to put in \$50,000,000 more with no hope of getting any of the carrying charges for that sum under the present five-cent fare.

*A Football  
of  
Politics*

It will be remembered that a series of contracts were made by the Interborough Rapid Transit Company with the city, in the plan that provided for building the subways; and the company pledged itself to the five-cent fare while the city agreed that private investors should get their bond interest before any return was made for the city's huge investment. Conditions changed so rapidly after the war began, wages and the cost of coal and other supplies mounted to such unprecedented heights, that for several years past

the companies have not been able to earn their fixed charges and guarantees to subsidiary lines. The matter of raising the fare has become a football of local politics, with constant unseemly controversy between the companies and the Hylan city administration. The attacks on the transit companies have gained some plausibility from the background of questionable financing of certain lines, especially the surface routes, in earlier years. Most of the companies are in the hands of receivers, and the great Interborough system itself, the nucleus of the city's transportation facilities, has been barely tided over from one interest period to the next, just escaping bankruptcy by one shift or another. In the meantime, the public has had to put up with outrageous service and thousands of entirely innocent investors have suffered sharply.

*Governor  
Miller's  
Plan*

Within a few weeks after taking office, Governor Miller, fully cognizant of the outcry that would be raised, conveyed in a message to the State legislature his plan for untangling the snarl and starting off on lines that would mean permanent growth and improvement. He suggested the appointment of a State Commission of three persons who, after finding out the real facts of the situation in detail, should have power to reorganize the lines in a unified system with a single fare, regardless of the contractual obligation of the Interborough Company to maintain a five-cent fare. The Governor maintains that a complete overhauling of the situation is the only method of avoiding early disaster; that the business of transporting passengers in the great city must be divorced from both crooked financing and demagogic politics; that the lines must be made self-sustaining regardless of contract details; and that in the new alignment the companies must make concessions along with the city's, especially in the matter of preferential payments and length of leases. He advocates ultimate public ownership and private operation. In February, bills were introduced in the New York legislature to carry out Governor Miller's plan, amid a clamor of protest from various elements, chiefly in New York City from those who had been making political capital out of the issues of home rule and the five-cent fare. The better understanding of the Governor's real aims that came with a careful study of his message and the further development of his plan did much to turn erstwhile opponents into supporters of his policy.

*The Gist  
of the  
Matter*

The gist of the matter is that the roads cannot operate solvently on the five-cent fare, and that the public cannot get the service it must have until they are solvent. That the matter of a contract price is the chief obstacle in the way of clearing up the situation is the more surprising in that tens of thousands of price contracts have been abrogated since the war period began, for just such reasons as obtain in the abnormally increased operating expenses of these transit lines. It seems in this case to have been a fetish even with many people who have not political ends to serve; it is obvious that it should not be considered for one moment as compared with the convenience, comfort, and security of New York City's millions and as respects fair dealing with thousands of innocent investors.

*Building  
in  
New York*

For many months the Lockwood Committee of the New York State Legislature (named for its chairman, Senator Charles C. Lockwood) has been occupied with a searching enquiry into the housing situation in New York City. A special session of the Legislature in September last enacted laws to prevent evictions and curtail rent profiteering; but those were emergency measures and did not strike at the root of the housing shortage. The committee proceeded to uncover unlawful practices in the building trades by which the cost of erecting every type of structure in New York, including the sadly needed apartments and tenement houses, was enormously increased. This part of the investigation was pushed with great energy and skill by the committee's counsel, Mr. Samuel Untermyer. So successful was he in bringing to light a "conspiracy in restraint of trade," as the federal statute terms it, that last month one Robert Brindell, head of the powerful labor trust known as the Building Trades Council, was tried, convicted, and sentenced to prison on a charge of extorting money from a contractor for calling off a strike.

*A Czar  
Among  
Builders*

Organized labor never had a more formidable enemy than this autocrat who for a brief time exploited it so mercilessly, solely to his own personal enrichment. The facts proved on the witness stand to the satisfaction of the jury were astounding. Contractors had repeatedly paid this man sums of \$5,000, \$25,000, \$50,000, merely as "strike insur-

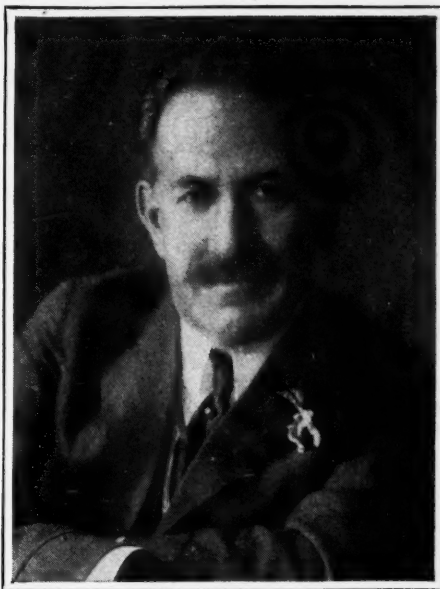
ance." On his side of the counter what did Brindell have to sell? The testimony showed that a power such as no labor leader was ever before known to have was his without question. The entire executive committee of seven was appointed by him. He could call and end strikes. There was no one in the organization to gainsay his edict. Meanwhile he collected weekly assessments from the favored members of his unions which gave him in the aggregate far greater revenues than he received from the employers. Construction companies were willing to hand money across the counter for what Brindell had for sale. Of course it was "passed on" to the public. Building of every kind was held up for months in and around New York as a consequence, and just at that point the public, including the rank and file of organized labor, was made to feel the heavy hand of this proud "Czar of the Building Trades." The big wages that had been the lure to fill the membership of Brindell's pet unions gradually fell off and with the exposure of the leader's duplicity the innate viciousness of the whole system at last dawned on its victims.

Money  
for  
Loans

Dealers in building materials were also found guilty under the Sherman Act and duly punished. On the whole, the work of the Lockwood Committee, with its attendant "pitiless publicity," has had wholesome results; but fines and imprisonment of the transgressors will not build the houses that New York's population demands. These will not be erected until mortgage loans are to be had. Such loans are not easily obtainable, as formerly, from large estates, for the surtaxes have caused many to invest in non-taxable securities. The public is looking to the banks and insurance companies for building loans, since those institutions are favored by the tax laws in the matter of real-estate mortgages.

Congress  
Reapportion-  
ment

The Census Committee of the House had proposed in the Reapportionment bill based on the new census that the membership of the House is increased by forty-eight. The House itself rejected the proposition, yielding to the arguments that the present membership of 435 is already unwieldy and that the proposed addition would mean an added cost of \$1,000,000. As the new ratio of representation is 242,265 persons, instead of



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MR. SAMUEL UNTERMYER

(The distinguished lawyer who exposed wholesale "graft" in the New York building trade)

218,979, there will be a loss of one member each from Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Mississippi, Nebraska, Rhode Island, Vermont, and of two members from Missouri. Connecticut, New Jersey, North Carolina, Texas and Washington will gain one Representative each, Michigan and Ohio two each, and California three. The sectional distribution of Representatives is affected hardly at all.

Disarmament  
Becomes a  
World Issue

International disarmament has swept all else aside. President-elect Harding expected to have before him some form of an Association of Nations in the opening days of his Administration. Instead, Senator Borah's resolution for an international disarmament conference has made such a conference the issue of the hour. The press of the world has spoken with one voice, and the demand is universal. Nevertheless, Senator Borah's resolution has been sidetracked for the time being by the Senate Committee on Naval Affairs. Unless public opinion sweeps away every obstacle to an international conference on disarmament, it will be defeated, as was the League. The United States once committed to a vast expenditure on battle-ships, neither Senator Borah's resolution for a conference on the subject nor the confer-

ence itself will pass the Senate. Mr. Lloyd George has forced the subject on this country. Sir Auckland Geddes, British Ambassador, crossed the ocean, conferred with the English Premier, and has returned to ask the proposed conference for disarmament in the name of England, Europe and the world. England has abandoned the wasting policy of centuries and proposes to submit its own naval preparation to an international conference. Up to the present time this country has been moving toward ever increasing armaments. Now the public has changed if its leaders have not.

*Disarmament  
From Every  
Quarter*

Apparently the country had been committed to a heavy outlay on battleships and the largest army during peace ever proposed in our history. The administration's position on this subject has not been able to prevent an abrupt reversal of national and international opinion. Only two months ago, Secretary Baker and Secretary Daniels were proposing army and navy programs which would have cost this country, for maintenance and construction, about \$3,500,000,000 annually, passing all records at home or abroad. Senator Wadsworth, of New York, Republican, had a big army bill before the Senate,

with Republican approval. The Republican House Committee on Naval Affairs seemed altogether ready to go all lengths. Two months of hard times, growing no better, have sobered this country as hardship and flat ruin have sobered all Europe. The limit of revenue has been reached for all lands. The Harding administration will be forced to consider international negotiations for reduced armaments. The brutal, savage despotism of Russia alone is increasing its red army and having taken the sword will perish by it, though the Moscow government has to-day the strongest army in Europe, as our general staff and that of Japan pronounced it just a year ago. Its success would force a general rearmament.

*President  
Wilson Reversed  
by Congress*

President Wilson himself has been made to feel this sudden reversal of world opinion. He vetoed the measure passed by Congress ordering the Secretary of War to suspend enlistments until our army of 224,000 sinks to 175,000 men, and for the fiscal year, 1921-22, Congress provides appropriations for only 150,000. Only sixteen members of the House voted to sustain the President's veto, and only one Senator. Congress was practically unanimous over the veto. The next Congress will be still more opposed to a larger army and navy. A futile effort was made in the first Congress after the Civil War to keep up our military establishment, but in four years our army dropped from over 1,000,000 to 25,000 men, and our navy scarcely existed from 1870 to 1880. The coming Congress wants to reduce taxes; but it cannot, if the army and navy are increased.



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BRIG.-GEN. WILLIAM MITCHELL

(Author of a series of articles on aviation—printed in this REVIEW for September, October, and December last, and in the present number—who has become the principal advocate of the use of aircraft against navies)

Much discussion has been had in Washington during the past month as to whether the first-line battleship is obsolete or in danger of becoming obsolete, or whether, on the other hand, it can still be relied on as the backbone of a modern nation's naval defenses. The experts of the Navy Department and the Senate Committee on Naval Affairs have reported in favor of retaining the battleship as the nucleus of the high-seas fleet, and of continuing to build these enormously costly engines of war. There are opposite views, and we print elsewhere this month an extremely interesting, if brief, article from General William Mitchell, Assistant Chief of the United States Air Service, giving his

*Are \$45,000,000  
Battleships  
Worth While?*



reasons for believing that bombing aircraft are very much more effective and economical engines of war than battleships. Mr. Lindon Bates, who has been prominently identified with submarine defense, also tells in this issue how the under-water craft have done their part to make the battleship keep hidden and innocuous.

*A Half-Century  
and an Empire  
Gone*

Germany in January discussed rather than celebrated the half-century of the proclamation of the German Empire in 1871. Bismarck, from the day when he overrode the Prussian Constitution to defeat Austria in 1866, gave his great days of glory and power to the creation of an autocratic constitution. This failed because it relied on arbitrary power and not on general initiative. In two years, since the war closed, Germany has been developing the self-reliance of the many. Each change so far has brought increased stability. Violent reds and violent reactionaries apparently grow less powerful and less perilous. Lincoln might have called President Ebert one of the plain people. He has held power nearly two years—months longer than was predicted. The Socialists, instead of a majority, polled only 39 per cent. of the vote cast. The Monarchists have saner leaders than at the start. The Republican League, just organized, is gathering the strength of Germany. Simon, Minister of Finance, is much like our cabinet officers, a man of business experience. An explosion may appear at any moment, but Soviet rule seems less probable. Germany is to be relieved of the burden of an army. Its currency is rotten, its credit low. Its industries grow and its exports increase. Its population was reduced by the Versailles Treaty 9,839,000, as estimated. Taking the 1910 census, this would leave 55,086,000. The census just over gives 60,282,602. This maintains two-thirds the past increase. It was 1.4 per cent., 1900 to 1910; from 1910 to 1920, .92 per cent. This is surprising in view of war losses.

*Austria's Sad  
and Hopeless  
Fate*

Austria proper, partly from policy and partly from natural resources and high skill in the crafts, became in the sixty-six years from 1848 to 1914, a great manufacturing tract fed by Bohemia, Hungary and the Slav regions now added to Serbia. Cut off from these, it is starving while its old possessions



PRESIDENT MICHAEL HAINISCH, OF AUSTRIA, AND UNITED STATES SENATOR MCCORMICK, OF ILLINOIS  
(A recent Vienna snapshot)

suffer for lack of Austrian manufactures. Only American aid has carried Austria through the winter. The wonder is it has not gone Bolshevik. Instead its very moderate Socialist President, Dr. Michael Hainisch, elected in December, has steadily improved order, though the local movement for a return of the Hapsburgs is strong. In hunger, with a terrible child death-rate, Austria is slowly recasting its position, losing population, increasing food-production, remodeling manufactures to meet altered and poorer markets, and suffering from lack of coal. The mercantile retail and banking classes have lost less than the manufacturing, and these are Jewish. This has awakened hate and brought pogroms in South Central Europe. May, Vienna's favorite month for social explosions, may bring serious results, not unlikely to fall on the Jew.

*The  
New-Made  
Slav States*

The chain of new Slav states, Poland, Czechoslovakia, Jugo-Slavia (Serbia) and Rumania (Latin but with Slav admixture), are all staggering under heavy military expenditure. All are on a war footing. All have to tax the farms heavily because manufacturing is checked and disorder and apprehension over an attack from Moscow prevents any revival of business. The Rumanian peasant, taxed on his crop, cut down his plowing for wheat last fall. Live-stock in Jugo-Slavia has suffered because feed is high and sparse. Serbia, with its 1,000,000 hogs before the war, depends on mast, but Croatia, the



MUSTAPHA KEMAL PASHA  
(Virtual ruler of Turkey)

Banat and lesser units added to Serbia, suffer, and war destroys cattle. Rumania fears an attack from Moscow to recover Bessarabia, Russian in 1914. Czechoslovakia is cut off from the old direct German demand for its food and raw material to the north, and from markets to the south. Poland had its crops destroyed last fall and has 900

French officers drilling an army on a war footing. Galicia, with its Ruthenian population, in close sympathy with Ukraine, gives trouble to Warsaw and to Prague. "News" is very likely here by spring.

*The Revolving  
Strength of  
Turkey*

Rule, leadership and initiative, in what is left of the Ottoman Empire, have shifted from young Sultan Mohammed VI and his old Viziers in Constantinople to Mustapha Kemal Pasha, the middle-aged, silent soldier who knows no home but a camp. He has the abiding humor of the Othmanli, as witness his despatch to the British Government thanking it for the small arms and cannon given to the Armenians, which he had just captured at Kars. Free from anxiety over an independent Armenia, Kemal Pasha is moving his army, as winter permits and spring draws near, to an attack on Smyrna and the French in Cilicia. He has already appeared on the northern edge of Syria. He is moving into the mountains which look down on the northern plains of Mesopotamia. The English press announces that as fast as a native government is recognized in Mesopotamia, British troops will be withdrawn to Basra, at the head of the Persian Gulf—a very natural step under the circumstances. The Young Turkish party has long held that the heart of Turkish administration should be inland in Asia Minor, and not at a port open to every fleet, like Constantinople, which none the less they believe should be held. Fighting has begun near Smyrna, and divisions have occurred between adherents of Constantine and Venizelos.

*Spring Prospects  
in the  
Balkans*

The German allies, Austria and Hungary, suffer worst now, suffer bitterly and in famine; but they have no large armies to support and no ambitions to gratify. Both Poland and Czechoslovakia want additions to their territory. Rumania and Jugo-Slavia look to a confederacy which will include Greece to the south and Poland and Czechoslovakia (Bohemia) to the north. All are arming, taxing and consuming crops and keeping man and beast from plow and furrow to be ready for war, perhaps to begin it. Bulgaria bides its time—an industrious people, rid of military burdens at home, working as never before to meet the war indemnity and aware that Turkey may yet again be an ally. Greece has reduced war costs, is replacing its war losses in steamers and tending strictly to its commercial business, finding Smyrna a hard job to handle, its new Turkish subjects in Asia Minor waiting for spring and the word from Kemal Pasha, the real head of Turkey, and aware that the Albanians of "North Epirus" have been left well armed by the Italians. All these peoples ought to stay at home and cultivate their fields. Their statesmen, or as we should say, politicians, are diligently planning for war and for floating bonds in America—aims not easily reconciled.

*The Unsolved  
Enigma of  
Russia*

By the simple but sufficient process of making independent search for news in Russia punishable by torture, imprisonment or death, the whole of Russia and Siberia—8,660,000 square miles and with a population of 180,000,000—is shut out from the civilized world. It would have once seemed incredible that the stretch from Vladivostok should furnish no information to any newspaper except through men who are "under control," who see only what is shown them. Vague signs appear that the red army is gathering for a campaign in Persia, for an attack on Japanese forces in Vladivostok and another on Poland. Persia is defenseless. The Russian army will have no opponent until it reaches Hamadan, where there is an English garrison. The campaign against Poland will not, it is probable, begin until the wheat is ready to harvest in July. Russian cities are starving, except for the red army officials. The peasants raise no more than they need. The exports of wheat from Russia, reaching 150,000,000 to 200,000,000 bushels a year, no longer exist. All Russian exports are now government-owned and im-

ports continue to raise issues which impede trade. No one can pretend to know where or when the Russian army will be launched against Western Europe.

*Current  
American  
Foreign Policy*

Prediction is not made easier by the number of issues raised by the outgoing administration at Washington in its closing weeks. The "integrity of Russia," as supported by President Wilson in a despatch to Italy, involves the fate of several countries despotically held by Russia from their first conquest. As has already been pointed out in these pages, Georgia has a right to its liberty and self-government. So has the Ukraine with the Ruthenian population held subject by Poland, but part of the Ukraine. Eastern Siberia on the Pacific ought to be open to Chinese and Japanese. Japan could develop the region far better than can Russia, which seized the region by steps as little to be justified as any act by that despotic power. It is nonsense for Russia to claim Mongolia. Let it keep the independence it now has.

*Why Enclose  
Japan  
All Around?*

The murder of an American naval officer in Siberia by a Japanese sentry was a grave breach of discipline and decorum. Japan has promptly apologized in every way and form. No nation could have done more. Few would have done as much. In reply to the contention that Japan had only a temporary occupation in Vladivostok, the Amur valley and Eastern Siberia generally, it is claimed on her behalf that the entire region is empty. The Amur has not two people to the square mile, and a minute share of them are Russian. The Russian migration into Siberia is as far from Vladivostok as New York is from San Francisco, and the going is worse. Russia seized the Amur in 1860 with no title but the strong hand and, beyond Vladivostok, has done little for it. The region has one of the world's great timber reserves, plentiful fisheries, minerals, coal probably, fertile lands of which in sixty years Russia has broken in only 143,000 acres, the area of land under crops in Rhode Island. It has a better climate than Canada. It has always belonged to the yellow race. Why not now?

*Japan's Right  
to Fair  
Expansion*

Japan is growing in population and has on its islands the smallest fertile acreage relative to area of any civilized land. It needs food

and an outlet. So does China. A mere occupation, as one of the incidents of war, should not be made a basis for conquest anywhere without consideration by the great powers to-day responsible for the world's governance and new titles; but why should not Japan receive a region close to it, uninhabited, in all, Arctic and temperate, 1,000,000 square miles, which Japan can improve better and make useful to the world quicker than any other land? Japan and China have a fair right to waste and open land whose ownership Russia has used only to exclude others—in one case with extreme barbarity.

*How We  
Could Aid  
Japan*

The United States better than any other power could propose that the disposition of East Siberia should be considered, so as to permit Japan to put its case before a fair commission. No European power has any right to seize all Northeastern Asia and keep it in escrow when teeming populations seek it. The yellow race needs space. They stand cold and heat alike as well as the white man. Japan has no expectation of colonizing further in the United States or Canada. Japanese immigration into Mexico is sure to lead to complications. The better public opinion of Latin America hesitates over a Japanese colony on the western coast of South America. One was once nearly established in Peru. Chile offers unusual opportunities for the entrance of Japanese labor. Land in Chile is held for the most part in large and hereditary estates. This is particularly true in South Chile, now opening, where labor is needed. But this offers no real outlet for Japan; and a large outlet is needed and deserved. Every nation has a right to decide who can take title to land and transmit the title. Japan exercises this right now against our nationals, though applying it to all nations alike. The Hawaiian Islands will soon offer a perplexing issue, with their growing Japanese population. As Paul wisely said on Mars Hill to the Athenians: "God hath made of one blood all nations of men for to dwell on all the face of the earth, and hath determined the times before appointed and the bounds of their habitation." A better "time before appointed" to settle "the bounds of their habitation" for the yellow race could not be named than right now. No better policy exists to-day than to give East Asia from the Arctic down to the China Sea to the various peoples of the yellow race and in



ON THE UNION FARM

(English-speaking and Dutch-speaking: A Team That Will Pull Together)

From the *Cape Times* (Capetown, South Africa)

the end the line may be drawn at Torres Strait. Trouble between Japan and the United States is both needless and absurd. It could only come through misunderstanding begot by mutual jealousy and suspicion. We should study Japan's problems, and help her to solve them on sound principles.

*The Smuts  
Victory in  
South Africa*

One of the most important elections that have taken place in any of the British Dominions since the war was held in the Union of South Africa on February 8, when members of a new Legislative Assembly were chosen. The result was a complete triumph for the South African Party, headed by General Jan C. Smuts, whose Premiership was seriously threatened a year ago when the "secession" party, led by General Hertzog, obtained a plurality of Parliamentary seats. General Smuts was able, however, to retain power through coalition with the Unionists. He now has a good working majority of his own party, while both the Nationalists and the Laborites have been greatly weakened. The election proves once more the loyalty of South Africa to the British Empire, and is in itself a remarkable tribute to the political acuteness and solid qualities of statesmanship that the world has come to associate with the personality of Premier Smuts.

*Reparations  
Still  
Unsettled*

In his article on "Making Germany Pay" (page 265) Mr. Simonds reviews, in some detail, the work of the Conference at Paris which dealt with the question of German repara-

*Limiting  
Princeton's  
Student Body*

Any suggestion that a university should limit the number of its students would once have been thought fantastic, if not positively ridiculous. Recent experience, however, has tended to give point to the question: May not a college or university serve the student body more efficiently and do more for the individual student if the number of those enjoying its advantages at a given time bears some definite relation to the number of instructors and the extent of the facilities offered? Some of the State universities began a few years ago to grow by leaps and bounds, as the saying is. It is an open secret that their rapid numerical growth caused apprehension in more than one faculty. We have now (since the war) reached a point at which the endowed universities are making a desperate fight to hold their faculties together even at increased salaries. Expansion seems out of the question. Some institutions find that a serious lack of dormitories compels them either to refuse applications for admission or to enter at once on a costly building program. Princeton is of this group and President Hibben has named a faculty committee to prepare a plan which, while imposing a limitation—perhaps two thousand—will be fair to applicants and will be likely to bring to Princeton a body of students who will make the best use of their opportunities. Princeton has always stood for direct contact between teacher and student. Excessive numbers militate against this principle and, in President Hibben's view, against Princeton's traditional policy and methods.

tions. Mr. Simonds shows that American interests are seriously involved in the results of the conference, and summarizes the arguments used by France in opposing a reduction of the terms agreed upon at Paris. The whole matter will be reviewed at the conference called to meet in London on February 28. Meanwhile, our readers will find Mr. Simonds' article extremely helpful in presenting the information necessary to a clear understanding of the results of the London Conference as they shall be reported by the press. Germany will be represented at London and, as Mr. Simonds points out, she is likely to receive some support from Great Britain and Italy.



# RECORD OF CURRENT EVENTS

(From January 16 to February 13, 1921)

## PROCEEDINGS IN CONGRESS

January 17.—Both branches adopt a joint resolution directing the Secretary of War to cease recruiting until the regular army is reduced (from 224,000) to 175,000 men; in the Senate the vote is 41 to 32, in the House 285 to 4.

The Congressional Committee on Shipping Board Operations re-opens hearings at New York.

January 19.—In the House, by vote of 77 to 276, the Reapportionment bill is defeated, and the membership remains 435 instead of 483 proposed; the new basis will be a representative for 242,267 population, as against 218,979.

January 20.—The Senate Committee on Foreign Relations reports favorably the Borah resolution on naval disarmament.

January 22.—The House Committee investigating the Shipping Board takes testimony that the Board must be relieved of operating ships and settling claims if the American merchant marine is to develop successfully.

January 24.—In the Senate, the bill to create the federal Livestock Commission is passed, 46 to 33, by a Southern-Western combination.

January 25.—The Senate unanimously adopts the Borah resolution for six months' suspension of naval building, pending study of future types of construction by the Committee on Naval Affairs.

The Senate Committee on Foreign Relations hears testimony by the Acting Secretary of State regarding Japan's position on the Island of Yap and control of former German cables.

January 27.—In the House, the Agricultural Appropriations bill is passed after restoring the free-seed provision which the committee had dropped. . . . The Diplomatic and Consular bill is taken up.

January 31.—In the Senate, upon failure of unanimous consent, Mr. Penrose (Rep., Pa.) moves to invoke the cloture rule on the Fordney Emergency Tariff bill.

February 1.—In the House, the Rivers and Harbors bill is passed, carrying an appropriation of \$15,250,000.

February 2.—In the Senate, cloture on the Fordney tariff bill is defeated.

The House war investigating committee hears testimony of Charles G. Dawes, former Brigadier-General and chief of supply procurement, in defense of army sales in France.

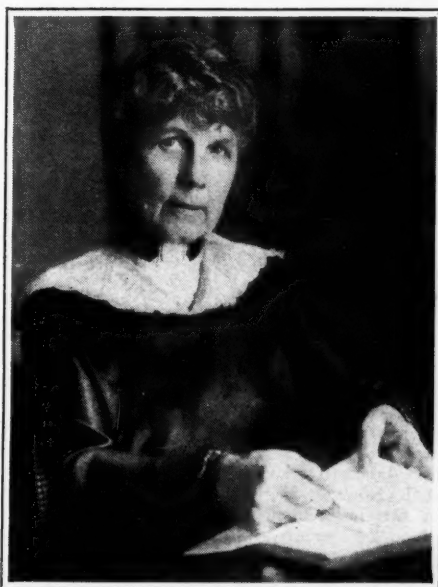
February 3.—The Senate is called into special session on March 4 by presidential proclamation, upon request of President-elect Harding, for the purpose of ratifying his appointments.

February 4.—The House Committee on Naval Affairs finishes taking testimony on future naval policy, and Chairman Butler (Rep., Pa.) announces that the United States will call an international conference on disarmament after March 4.

February 5.—In the House, the presidential veto of the joint resolution for reducing the army to 175,000 is upset by vote of 271 to 16.

February 7.—In the Senate, the army reduction resolution is passed over the presidential veto, 67 to 1.

In the House, an appropriation of \$12,500,000 is authorized by vote of 229 to 0 for building five hospitals to take care of wounded soldiers. . . . Another bill, passed by vote of 278 to 58 provides \$100,000,000 for State road building.



MRS. WARREN G. HARDING

(Who, after March 4, will occupy the White House at Washington as the new first lady of the land. The picture is a snapshot taken in New York upon the occasion of Mrs. Harding's recent visit)

February 8.—The Senate Agricultural Committee unanimously approves authorizing the Treasury to purchase \$100,000,000 of farm loan bonds, to be incorporated in the Agriculture appropriation bill.

The House amends the Transportation Act to permit partial payments to railroads under the guarantee clause; the law had provided that no payment could be made until the railroads render final accounting, and more than \$300,000,000 is already due the roads.

February 9.—The Senate Naval Affairs Committee reports against the Borah resolution proposing suspension of building on capital ships, endorses the principles of the Naval General

Board, and advocates a navy "at least equal to that of any other power."

The Senate Committee on Immigration reports unfavorably the House measure which would stop immigration for one year; it decides to recommend limiting new arrivals each year to 5 per cent. of a country's nationals living here as shown by the census.

In the Senate, the sundry civil appropriations bill is passed with a total of \$412,350,000, including \$250,000,000 for World War veterans and \$10,000,000 for development of the Muscle Shoals, Ala., water-power project.

February 10.—In the Senate the Indian Appropriation bill is passed, carrying \$73,000,000, and the Pension bill of \$265,500,000 is carried.

The House passes the annual deficiency appropriation bill of \$203,000,000.

The Senate amends the Fordney Emergency Tariff bill to provide a duty of seven cents a pound on cotton staple and manufactures, and from 15 to 45 cents a pound on wool.

February 12.—Senator Kenyon (Rep., Idaho) introduces the rural credit bill to standardize productive farm credit paper.

#### AMERICAN POLITICS AND GOVERNMENT

January 17.—Mayor Hylan, of New York, agrees to cooperate in an investigation into municipal corruption.

A naval court of inquiry investigates the recent balloon flight which ended on James Bay, Canada.

A Treasury Department ruling against manufacture of home-brewed beer is reported to apply without evidence of sale or consumption.

Internal Revenue officers arrest at Denver the leader of a million dollar drug ring operating in twenty-two States.

January 18.—The ordinary expenditures of the Government are reported decreased \$20,000,000 for December, 1920.

January 19.—Another police captain is indicted at New York for grafting. . . . A New York landlord who fails to supply heat under a local ordinance is given five days in the Tombs, the first jail sentence for the offense.

January 20.—President-elect Harding leaves Marion, Ohio, for a vacation in Florida as the guest of Senator Frelinghuysen, of New Jersey.

January 22.—Ludwig C. A. K. Martens, so-called Ambassador from Soviet Russia to the United States, is deported, with some of his Bolshevik friends.

January 24.—Governor Miller sends a special message to the New York legislature urging unified control, and a single fare for all traction lines in New York City, a step which arouses city politicians.

The Lower House of the New Jersey legislature ratifies the prohibition amendment to the United States Constitution, 51 to 4, and repeals the State beer law unanimously.

January 26.—The New York State Assembly refuses to empower the Housing Investigation Committee to inquire into bank and insurance company methods.

January 27.—Mr. Whitman, at New York City, procures the indictment of detectives on the "auto squad" and reveals how twelve men and a woman stole 9,000 automobiles and returned half

of them for recovery rewards from insurance companies.

January 29.—Drastic prohibition enforcement orders are issued covering whiskey warehouses in seven Eastern States.

January 31.—The United States Supreme Court sets aside, on a technicality, the conviction of Congressman Victor Berger, Socialist, for violating the espionage law.

The New Jersey Senate refuses to ratify the federal prohibition amendment.

February 1.—Dr. George F. Chandler, organizer of the New York Department of State Police, resigns.

Prohibition Commissioner Kramer orders an embargo on all liquor withdrawals in all States, except by druggists.

Governor-General Francis Burton Harrison cables his resignation to President Wilson from Manila, to take effect March 4.

February 6.—President Wilson refuses to grant the request of railroad labor unionists that he investigate railroad executives' claims before the Railroad Labor Board or submit the matter to Congress.

February 7.—In New York City, Dr. Carleton Simon, heading a police raid of the Narcotic Squad, seizes \$40,000 of heroin, some opium, a still and moonshine whiskey within two blocks of Police Headquarters.

Alexander Howat, coal-miner's leader, is arrested by the Kansas Industrial Relations Court for calling a strike in violation of an injunction.

February 8.—John T. Hettrick, who conceived the "Code of Practice" for three building rings, is brought to trial at New York City for conspiracy to coerce builders into the association; Robert P. Brindell is sentenced to Sing Sing for from five to ten years for building trade extortion, following his conviction February 4.

February 9.—The Railway Labor Board decides that the Boston & Maine Railroad must confer with the American Federation of Railroad Workers on grievances of employees.

The election of Warren G. Harding as President, and of Calvin Coolidge as Vice-President is confirmed in a joint session of Congress.

February 10.—Secretary of State Colby informs Senator Lodge that there is no text as yet of the American-Japanese agreement, which is only in the stage of a plenipotentiary comparison of views coupled with recommendations which are the subject of examination.

February 11.—Mr. Harding invites Hon. Charles E. Hughes to confer with him at St. Augustine.

Governor Miller of New York explains in further detail his plans for settling the rapid transit problems of the metropolis.

February 12.—New York City health authorities hold 200 immigrants to protect the city from typhus, despite instructions from the Labor Department at Washington to brook no interference.

#### FOREIGN POLITICS AND GOVERNMENT

January 16.—Ahmid Mirza, Shah of Persia, is reported in Shiraz with the British garrison, which was withdrawn from Teheran following resignation of the Cabinet and invasion by the Bolsheviks.

The blockade of Fiume is raised by order of General Caviglia, of the Italian forces.

January 17.—Winston Churchill, British Minister of War, becomes Colonial Secretary.

January 18.—Persian merchants exert pressure which causes the Premier to withdraw his resignation.

Irishmen ambush parties of auxiliary police at Galway and in County Clare, wounding six.

At Berlin a royalist party is launched under the name "League of the Upright."

January 20.—Crown forces at Cork, Ireland, destroy two business houses with bombs in reprisal for ambush; police are ambushed at Glenwood, County Clare, the entire party being killed or wounded.

January 21.—Premier Briand receives a vote of confidence from the French Chamber, 475 to 68, on the German indemnity issue.

January 24.—Viscount Takaaki Kato, Opposition leader in the Japanese Diet, interpellates the Government on Siberian occupation by Japanese troops; Premier Hara replies it is a measure of national defense.

British airmen in Somaliland, Africa, bomb, kill and capture all but the leaders of the "Mad Mullah's" forces; the Mullah escapes.

January 25.—Premier Giolitti publishes his bill aimed to cure industrial unrest in Italy through joint control by workers and managers.

January 30.—The Japanese Diet is informed, upon interpellation, that the present construction plans of the navy must be carried out, but that world curtailment should be favored.

February 3.—In Ireland, seventeen policemen are killed in ambush, and a pitched battle is reported between 500 Sinn Feiners and a force of the constabulary at Burgatia.

February 5.—Premier Lloyd George justifies the new German indemnity agreement of the Allies, in a masterful speech at Birmingham.

February 6.—In Mexico City, the palace of Archbishop Mora del Rio, head of the Mexican Church, is bombed, as is an American jewelry factory nearby.

British army authorities in Queenstown, Ireland, evolve a hostage system to prevent ambushes of police auxiliaries; three ambushes occur in Dublin; six houses are burned in reprisal at Drumkeen.

February 8.—The elections in the Union of South Africa bring a good working majority to the South African party, of which General Smuts is the head, and result in the defeat of General Hertzog's movement for secession from the empire.

In the Japanese Diet, Yukio Ozaki, recently deposed leader of the Kensei-Kai or opposition party, introduces a resolution curtailing naval armament and proposing a conference with the United States and England on disarmament.

February 9.—The Indian Legislative Assembly and the Council of State are inaugurated at Delhi by the Duke of Connaught.

The Japanese Kokumin-To, or Nationalist party, decides to return the budget for curtailment of military appropriations, especially the additional 150,000,000 yen for national defense.

February 9.—The Austrian supplementary

budget shows a deficit for the fiscal year of 40,000,000,000 crowns.

February 10.—The Japanese House of Representatives rejects the navy curtailment proposal of Yukio Ozaki by vote of 245 to 38.

### INTERNATIONAL RELATIONS

January 18.—President Wilson replies to Lloyd George's suggestions regarding Armenia in a cable to Paul Hymans, President of the League Assembly; he suggests an international compact guaranteeing Russia against invasion.

January 22.—Four Central American countries, Salvador, Honduras, Guatemala, and Costa Rica, join in a treaty of union.

The Reparations Commission issues a detailed list of German deliveries, including 10,787,827 kilos of dyestuffs, 2,054,729 tons of shipping, 140,000 tons of fixed railway materials and 360,176 head of livestock.

January 24.—Terrorism and disorder are reported practically unchecked by French troops in Upper Silesian plebiscite territory.

January 28.—The Supreme Council of the Allies, meeting at Paris to fix the total indemnity Germany will be required to pay, decides to tax German exports 12½ per cent. ad valorem, with a sliding scale of annuities from 2,000,000,000 to 6,000,000,000 marks for forty-two years.

January 29.—The Supreme Council decides to relinquish certain financial claims against Austria.

February 1.—Dr. Walter Simons, German Foreign Minister, tells the Reichstag that Germany will not accept the Entente decisions on reparations, but will formulate counter proposals.

February 2.—The report of the financial congress at Brussels just published shows how 76,000,000,000 marks deficit of Germany in her 1920 budget is padded and declares German taxes are less per capita than those of Allied nations.

February 4.—Count Tanaka, Japanese Minister of War, announces in the Diet that another division of troops will be sent to Korea to reinforce the present garrison.

February 7.—At Rome, Italian Foreign Minister Count Sforza announces the recent decision of the Supreme Council to reduce expenses of Allied occupation of the Rhine to 240,000,000 gold marks, a saving of \$300,000,000 a year or almost the 12 per cent. tax on German exports proposed by the Council.

February 8.—The German government accepts the invitation of the Supreme Council to attend a meeting of the Reparations Conference at London on March 1.

February 10.—American Marines at Managua, Nicaragua, are arrested by United States military authorities for wrecking the newspaper plant of *La Tribuna*.

### OTHER OCCURRENCES OF THE MONTH

January 17.—Samuel Gompers is reelected President of the Pan-American Federation of Labor at Mexico City.

January 18.—Court records in New York City show an increase in arrests for drunkenness in 1920 of 156, with a total of 5813 for the year, despite prohibition.

January 22.—Mr. Hoover announces a gift of 15,000,000 bushels of corn from mid-Western farmers for the relief of starving Europeans.

Large Eastern railroads lay off men and establish five-day weeks.

The British submarine *K-5* is lost with 56 men, 100 miles from Land's End.

January 25.—Unemployed in January, 1921, compared with the previous year, increased 3,473,466, according to a Department of Labor report.

January 26.—Rev. Dr. William T. Manning, rector of Trinity Church, is elected Bishop of the Protestant Episcopal Diocese of New York (see page 279).

French imports in 1920 are reported decreased 394,316,000 francs from 1919, with an adverse trade balance of 12,970,194,000 francs.

January 29.—Albert I, King of the Belgians, offers a cup as a prize for an international sailing yacht race on July 4 from Sandy Hook, to finish at Ostend, Belgium; the cup will be the permanent possession of the winner.

January 31.—The United States Pacific fleet arrives at Valparaiso, Chile, from Panama; the advance guard of the Atlantic fleet arrives at Callao, Peru; both units are on practice cruise and the ships are visited by the highest officials of the countries at port of call.

The Cuban moratorium is ended; the legislative sliding scale plan of payments goes into effect.

Unemployment in New York is reported increased 4 per cent. in January.

February 8.—Street car strike riots occur at Albany and Troy, N. Y., where traction companies attempt to operate cars manned by strike-breakers, who are badly stoned and beaten; State police are called in.

British foreign trade figures just announced show total imports of £117,050,000 for January; total exports £102,700,000, including £92,750,000 of British products.

February 9.—In New York City, 30,000 needle workers in 1800 shops strike to enforce standardized working conditions.

February 14.—The Railway Labor Board, upon petition of employees, suspends recent wage reductions by the Erie Railroad on the ground that no change of working conditions may become effective except by agreement.

## OBITUARY

January 21.—Charles F. Booher, for fourteen years Representative from the Fourth District of Missouri, 74. . . . Arthur Lewis Sifton, Dominion Secretary of State, 62.

January 26.—Prof. William Thompson Sedgwick, biologist and sanitation expert at the Massachusetts Institute of Technology, 56.

January 27.—Mrs. Frances McEwen Belford, a leading woman citizen of Colorado, 82.

January 29.—Rear-Admiral Edward David Taussig, U. S. N., retired, 74.

January 30.—Alfred Treadway White, who in 1876 erected the first successful tenement houses in America, 75. . . . John Francis Murphy, landscape artist, 68. . . . Wilmer Stuart, Associated Press journalist, 52.

January 31.—Frederic Hale Parkhurst, Governor of Maine since the 1st of January, 57.

February 1.—Frank B. Mackay, of New York, shipping expert, 54.

February 2.—Brig.-Gen. James Forney, U. S. Marine Corps, retired, 77. . . . Cardinal Ferrari, Archbishop of Milan, 71.

February 4.—Brig.-Gen. Thomas McGregor, U. S. A., retired, 84. . . . Carl Hauptmann, noted German author, 63.

February 6.—Herschel S. Hall, well-known fiction writer, 47.

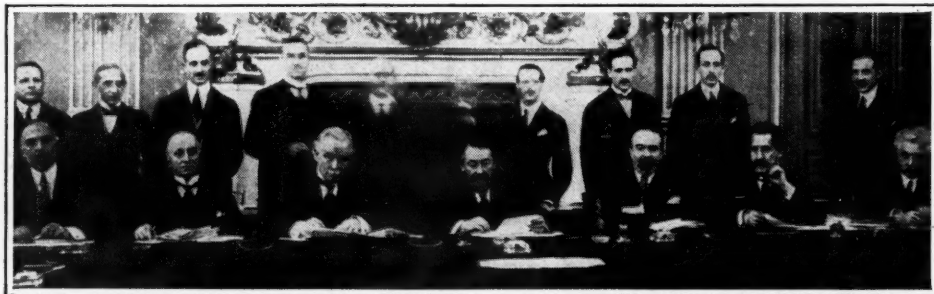
February 7.—Hon. John J. Gardner, former Representative of the Second New Jersey Congressional District for ten consecutive terms prior to 1913, Republican, 76.

February 8.—Barrett Wendell, professor emeritus of English literature at Harvard University, 66. . . . Fred L. Blackmon, for ten years Representative from the Fourth Alabama District, 48.

February 9.—James Gibbons Huneker, of New York, noted music critic and author, 68.

February 11.—Sir William Blake Richmond, a noted English painter of portraits and mythological themes, 79.

February 12.—Andrew L. Drummond, Chief of the U. S. Secret Service under President Harrison, 76. . . . Bishop John P. Farrelly, of the Roman Catholic diocese of Cleveland, 65. . . . Troels Lund, the Danish historian, 81.



THE REPARATIONS CONFERENCE OF THE ALLIED PREMIERS AT PARIS

(It was at this gathering that indemnity plans began to crystalize and European politicians seemed convinced more than ever before that the question was one of business and economics rather than of politics and diplomacy. Another and perhaps final conference will be held on February 28 at London, at which German plenipotentiaries will present their side of the case and attempt a more favorable adjustment. Seated, from left to right, are: Count Sforza, Italian Foreign Minister; Lord Curzon and Premier Lloyd George, of Great Britain; M. Briand, Premier of France; M. Barthou and M. Berthelot, of France; and M. Jaspar, of Belgium)



# TOPICS OF THE MONTH IN CARTOONS

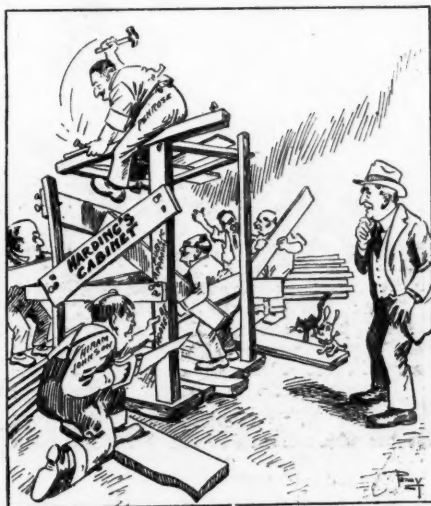


SOME ADVICE TO HARDING

UNCLE SAM: "You can't please everybody, W. G. You'll be held responsible. So better pick your men."  
From the *Evening Mail* (New York)



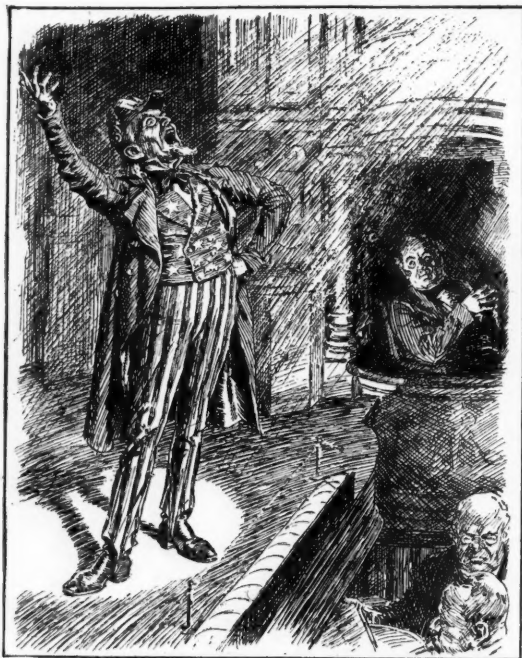
THE SENATE: "IT DOESN'T MATTER WHICH; I EXPECT TO BOSS THE FOREIGN POLICY MYSELF"  
From the *Evening Post* © (New York)



MR. HARDING THINKS HE COULD DO A BETTER JOB WITHOUT SO MUCH HELP  
From the *Oregonian* (Portland, Oregon)



THE PRESIDENT-ELECT AND HIS ABSORBING POLITICAL CHESS PROBLEM  
From the *Central Press Association* (Cleveland, Ohio)



THE LATEST BACK NUMBER

UNCLE SAM ("The Sea Lion Comique") sings:

"We don't want to fight, but, by Daniels, if we do  
We're getting the ships, we've got the men, we've  
got the money, too!"

JOHN BULL: "Very quaint, these old-world songs; they take  
me back thirty years and more before the war."

From *Punch* (London, England)

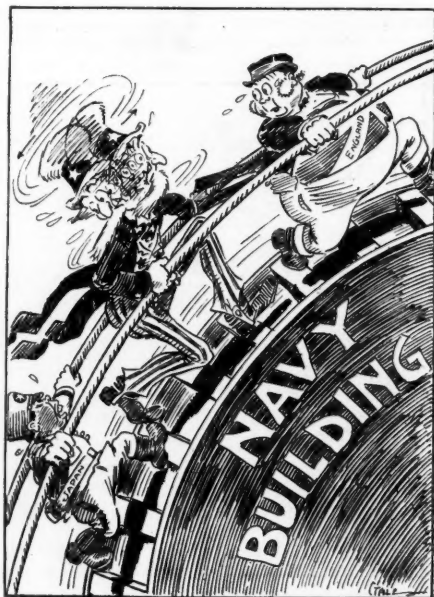
"WHAT FOOLS THESE MORTALS BE"  
From the *Eagle* (Brooklyn, N. Y.)

Disarmament cartoons, on these  
two facing pages, all seem to favor  
curtailment. Those presenting an-  
other viewpoint are not easily to be  
found, even if one searches for them.



WHAT MIGHT BE DONE WITH SOME OF THE  
MONEY SPENT ON NAVIES

[It has been estimated that the money spent for one bat-  
tleship would furnish sufficient food to save the lives of  
three and a half millions of starving children in Europe]

From the *Spokesman-Review* (Spokane, Wash.)

THE INTERNATIONAL TREADMILL

From the *Times* (Los Angeles, Cal.)



A PRESIDENT-ELECT ON VACATION—From the *News* (Chicago, Ill.)



SUNK!—By Reid, in the *Evening Mail* (New York)



LOVE ME, LOVE MY DOG  
By Nelson Harding, in the *Eagle* (Brooklyn, N. Y.)



ANOTHER DISARMAMENT CONFERENCE THAT  
PRESIDENT HARDING WOULD LIKE TO CALL  
From the *Star* (St. Louis, Mo.)



"STOP YOUR CRYING—I'M BUSY"  
From the *Evening Post* © (New York)



OFF FOR THE REPARATIONS CONFERENCE AT LONDON

THE FRENCH MARIANNE (to Lloyd George, the British Premier, who acts as driver): "Will this journey ever come to an end?"

From the *Amsterdammer* (Amsterdam, Holland)

The topic of chief importance in Europe during recent weeks has been the extent to which Germany should be made to pay—in money, over a long period of years—as

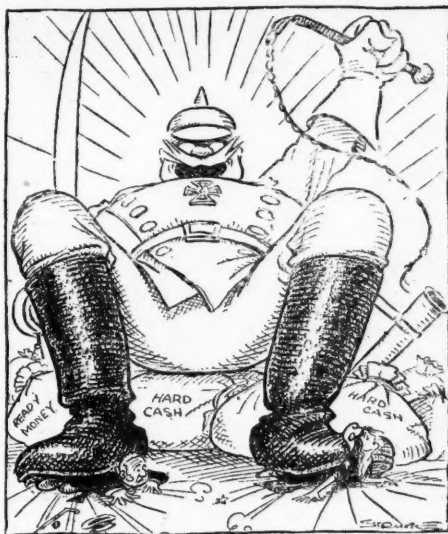
"reparation" or "indemnity." Speaking broadly, the British are inclined to be somewhat less exacting than the French, quite naturally; but any tendency toward leniency



LLOYD GEORGE: "PERHAPS, BRIAND, IT WOULD GEE-UP BETTER IF WE LET IT TOUCH EARTH"

From the *Star* (London, England)





IF FRITZ HAD BEEN THE VICTOR  
From the *Daily Express* (London, England)

is checked by a reminder of what Germany would have demanded if victorious.

The Allied premiers had reached an agreement on reparations in a conference at Paris late in January, and they will meet with German negotiators for a final settlement at London in the first days of March.

The next most complicated problem facing



IT ISN'T EXPECTED TO PLEASE HIM  
From the *Telegram* (Portland, Oregon)

Europe is the future of Upper Silesia—German or Polish—soon to be determined by vote of the population. The German cartoon reproduced below charges unfairness by French troops of occupation, while the Polish cartoon in turn intimates hostility to Poland's aspirations on the part of England.



SANTA CLAUS: "I am giving these two lambs, Wilna and Silesia, to Poland."  
JOHN BULL: "Don't do that! Rather give them to these nice and well-behaved friends of mine, Lithuanian, Czech, and German."

From *Mucha* (Warsaw, Poland)

Mar.—3



JUSTICE—FRENCH BRAND  
(The fate of Upper Silesia)  
From *Kladderadatsch* (Berlin, Germany)



WE ALL HAVE OUR UPS AND DOWNS—From the Times (Los Angeles, Cal.)



UNCLE SAM HASN'T MUCH TO MOAN ABOUT  
By Thomas, in the News (Detroit, Mich.)



SHACKLED BUSINESS AWAITS THE BLACKSMITH  
From the News (Chicago, Ill.)



GOVERNOR COX AND MR. MCADDO PAY MISS  
DEMOCRACY A HIGH COMPLIMENT  
By Ireland, in the Dispatch (Columbus, Ohio)



"DON'T DAMAGE THE COAT—IT BELONGS TO US"  
By Darling, in the Tribune © (New York)



© Keystone View Co., Inc.

A GAME OF GOLF AT ST. AUGUSTINE, FLA., WITH MR. HARDING WATCHING HIS BALL

## MR. HARDING AS PRESIDENT-ELECT

BY JUDSON C. WELLIVER

WHEN Senator Warren G. Harding awoke on the morning of November 3 last, to find himself President-elect, he entered on a new and anomalous phase of that process in political evolution that makes a President. He had been elected President, but he was not yet President, and would not be for four months. The country and the world instinctively turned to him as the man who must take the lead and the chief responsibility for the policies and programs of this nation. His victory had been so overwhelming that there could be no doubt of his position and authority. The Republican sweep in the Congressional election had been as impressive as in the Electoral College. The country had not only designated him for the huge task of the next four years, but had handed him the instrumentalities with which to work.

Yet he was not President. Resigning, presently, his seat in the Senate, he became a simple private citizen. Mr. Wilson remained President, and the tradition of political good manners dictated that Mr. Harding should not intrude himself and his program into the conduct of the Government's business. Not only did good taste dictate this attitude, but the most casual consideration of the interests of his own administration, when it should be inaugurated, emphasized the necessity for it. Any effort on the part of Mr. Harding to assume an authority which did not yet belong

to him might easily have caused friction between the Democratic President and the Republican Congress, with the result that the appropriation bills would have failed of passage in the short session. That would have pushed them over to the extraordinary session after March 4, and compelled attention to them, to the exclusion of pressing important matters of general legislation which was necessary for the inauguration of the new administration's program.

In such a situation Mr. Harding's unerring instinct of good taste and safe judgment was displayed to splendid advantage. He refrained sedulously from any act or utterance that might have bred hostility or friction. Although the Congress was Republican and presumably would have been readily responsive to any suggestions from him, he kept his counsel and left his party associates in Senate and House to carry on in accordance with their own best judgment. It was undoubtedly the wise course, not only from the point of view of relations between the outgoing and the incoming régimes, but also from that of internal harmony within the Republican party itself.

All this was perfectly characteristic of the man and, when properly understood, gives a pretty accurate basis for estimate of the kind of administration that may be expected from him. A strong party man, he may be expected to cling to the traditional policies of

his own party and to rule through the instrumentalities of that party. But, on the other hand, he has made very plain, by his expressions both during and since the campaign, that he intends to be President of the whole country, for the benefit of all its people and not primarily to be a party President seeking party advantage first. It is his wish to bring the Republican party to complete unity and harmony, to wipe out all trace of factionism, and, just as earnestly, he desires also to make his administration a healing, conciliating, harmonizing force in the whole nation.

He is a born conciliator, a leader who seeks by the appeal of sweet reasonableness to smooth out differences and remove asperities. But it would be a mistake to assume that his method of conciliation and adjustment will be essentially that of compromise. Those who were privileged to be close to him throughout his campaign, and to know his way of dealing with problems which required at last to be decided by himself and nobody else, know how vigorously and determinedly he could take and hold the position to which thorough consideration had led him. He was always ready to confer, to weigh arguments and considerations; but, once his mind was fixed, he went ahead on the course that had finally commended itself to him. Once committed to a particular course, he was completely committed; he put all his force and earnestness into its advocacy, and sought to win others, by effective arguments, to agree with him.

An excellent illustration of this trait was furnished, during the campaign, by his attitude toward the Cummins-Esch railroad legislation. The Democrats had undertaken to arouse hostility against Mr. Harding, among the railroad employees and wage-earners generally, by the charge that this act, which he had supported in the Senate, was inimical to labor. Mr. Harding never dreamed of apologizing or explaining. He equipped himself with a thorough command of the subject and then went straight to the railroad men with his case. He did not defend himself; he attacked his opponents. He boldly declared that that legislation was a great service to the cause of labor as well as of the country in general; he held it up as one of the great constructive acts of recent time. Wherever he talked to an audience in which railroad workers were presumably numerous he laid his argument before them. He won them both by the frank courage of his position and by the effectiveness of the arguments which he presented in those talks.

Another phase was illustrated by his declaration, in one of his greatest campaign speeches, that he would seek the creation of a new department of the government, a Department of Public Welfare, headed by a Cabinet officer. There had been no intimation of such a proposal in the Republican platform. His declaration for it represented his own initiative, and was a complete surprise to the country. It served both to put him in possession of an effective issue and to convince the country that he was capable of initiating policies of his own and supporting them with telling arguments.

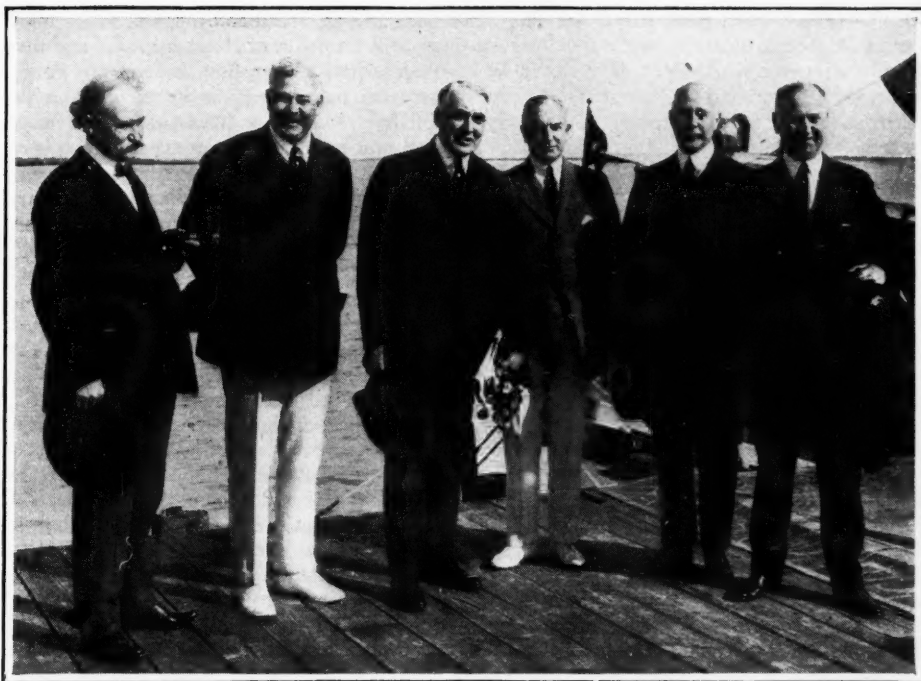
When he was accused of being the creature of a "Senatorial oligarchy," Mr. Harding did the thing that a weak man would not have done. He denied the accusation and declared that there was no such thing as a Senatorial oligarchy; and then he proceeded with an eloquent tribute to the Senate and its services to the nation and the world in connection with the Versailles Treaty.

These incidents may suggest the development of the Harding character during the campaign. They will suggest, if they have been effectively stated, that a political leader during a campaign has need to be of the fighting type; wise enough to be right, and sturdy enough to fight for what he is convinced is right.

But after the campaign a President-elect must take a different rôle. From being the leader, cautious till he is convinced, and thereafter militant, he must retire for a time. His hour is not yet come, and he must deport himself with becoming modesty and yet proper realization of the high estate to which he has been chosen. Mr. Harding adapted himself to these conditions by betaking himself as far as possible from public observation. Before the end of election week he had started on a vacation trip to the South. It was to embrace a stay on the southern Texas coast, and thereafter a sea trip to Panama.

On the railroad journey southward he received the first testimonies that he had emphatically succeeded in his wish to be regarded as more than a party's President. Everywhere he was greeted with enthusiastic acclaim. The people thronged to the railroad stations to see his train pass through, if it was not stopping; to beg for a glimpse and a few words, if it stopped. He never failed them, saying a few easy sentences that committed him to nothing partisan, but that left him standing on a platform broad enough for the entire nation to occupy without crowding.





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MR. HARDING AND A GROUP OF POLITICAL ADVISERS WHO ACCOMPANIED HIM ON A TWO WEEKS' CRUISE DOWN THE INDIAN RIVER IN FLORIDA

(From left to right are: Senator Fall, of New Mexico; Senator Freylinghuysen, of New Jersey; Mr. Harding; Henry P. Fletcher, recently ambassador to Mexico; Dr. Albert H. Ely; and Harry M. Daugherty, of Ohio)

Always his plea was for national unity, understanding, harmony; for recognition that in the new world era America could not play its full part unless it was united and of single purpose. He pleaded always for a national conception, a national solidarity. In this, it seemed to me, I could descry the method of a man appealing not only to Americans, but to all the world as well.

Everywhere the flame of nationalism has burned hot and intense since the war. The rest of the world will not misunderstand if Americans shall insist on their national independence just as earnestly as they shall protest their international sympathies. Mr. Harding, I think, has an instinct which accurately appraises the nationalistic determination of his own country, and which recognizes that other countries likewise are very certain to place nationalism above internationalism. Yet he is able to make some concessions to internationalism, and willing to encourage it. Searching along this line we will be most likely to find the key to the Harding international policy: national solidarities and international coöperations. Making no pretense to

expert knowledge of international affairs, he knows the determined provincialism of his own country, and rightly assumes that other countries and peoples are not very different.

He has traveled extensively, knows the Old World from first-hand observation, and believes that mankind wants and tends to improve from generation to generation. But he will not make the mistake of attempting to impose ultimate altruism, complete Utopianism, upon it all at once. Having not the slightest notion that processes of political and social evolution have finished their work, he would not dream of freezing the world solid under the rule of Article X.

At New Orleans, stopping for a few hours before taking ship for the Canal Zone, Mr. Harding was given an enthusiastic reception and a dinner by the Association of Commerce. He made his first formal speech following his election, voicing once more his plea for a united country and, in a few earnest sentences, expressing his confidence that the worst phases of the industrial and financial depression had been passed, and that the turn of the year would see the country safely on

the up-grade toward prosperity. Coming at the middle of December, with the business world facing the problem of New Year settlements, his words were calculated to give heart and courage to men of affairs everywhere.

#### *Reception at Panama—Relations with Latin America*

A very different audience greeted him, a few days later, when the party, at Panama City, was banqueted by President Porras of the Panama Republic. It was a beautiful party, given at the Union Club, a strictly Panaman organization in management, although its privileges are open to Americans and other foreigners sojourning there. From the seaward balconies of the clubhouse we could look out over the Bay of Panama and into the inscrutable Pacific beyond. About us, everywhere, was the lure of the tropics, the romance of the South Seas; the mystery of the East lay just beyond the sunset horizon. It was a setting in which one might have staged something pretentious and grandiloquent; but the exchange of sentiments between President Porras and President-elect Harding was simple, sincere, and altogether happy.

The President of Panama bespoke a continuance of the amity and understanding which mutual interests had always dictated as the fitting policy of the two republics, and reminded his guests that Panama and the Zone must always be the mirror in which the Latin-American republics would visualize their impression of the United States and its attitude toward its neighbors. Mr. Harding assured his host that it would always be the aim and wish of the United States that this reflection should do credit to the great state of the North. He spoke with a feeling and in terms of generalization that made his observations applicable to all the American republics, and yet without any assumption of representing his government. It was the graceful compliment that any distinguished American, in such circumstances, might properly pay to the government and people of a friendly state, without assumption or anything remotely suggestive of patronage.

The President-elect has repeatedly expressed the wish to be useful in bringing about the best of relations and understanding between the United States and all the other countries of this hemisphere. He was deeply interested, during his stay at Panama, in the manifold evidences that our interests there

constitute an invaluable outpost from which to project a policy of closer intimacy and more fundamental coöperation. Indeed, any American with the capacity of international vision will be very sure to have that vision broadened and whetted by the experience of even a brief stay in Panama. Without any feeling of detachment from his own country, he will yet attain a realization of near neighborship to another world. In the clubs, hotels, business places, and administrative offices, he will hear the news and gossip of all America, and along with that will be amazed to find himself getting a sense of positive intimacy with the countries of the Pacific. Here is the South Sea, with all its legend, mystery, and romance, right at the door! Its shipping comes and goes every day; ships' companies bring their stories of what is happening everywhere, and the whole atmosphere of the Zone recalls that easy cosmopolitanism of view that one has known in London, making Detroit and Durban, Calcutta and Chicago, Kieff and Johannesburg seem no more remote than the next county. Somebody suggested that the Zone was a great lens that pulled the whole world up close for intimate inspection. Somebody else insisted that it was our whispering post of the tropics. Choose your own figure. Certain it is that the President-elect was captivated by the fine dignity, the universal courtesy, the continuous testimonies of the goodwill that was everywhere in evidence; and by his own bearing and expressions he won the kindly sentiments of all who came in contact with him. That trip to Panama will one day be regarded as an inspiration, when its illumination of our problems of the Pacific, the tropics, and Pan-American relations shall be better understood.

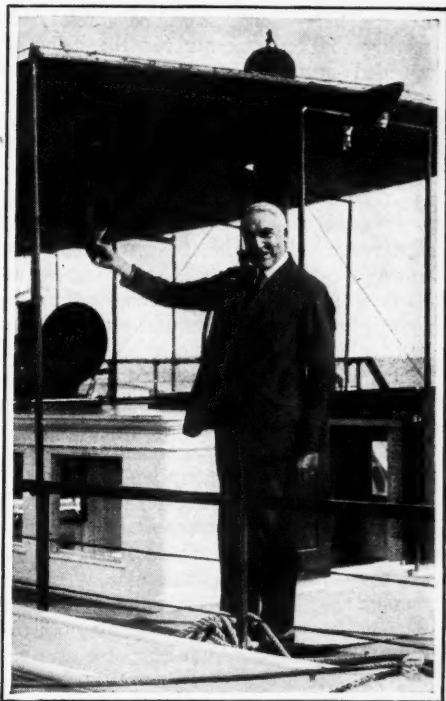
#### *Conferences at Washington and Marion*

The homeward trip was by way of Hampton Roads and Washington. Mr. Harding reached Washington in time for the opening of the short session of Congress, and, appearing on the floor as a member of the Senate, was given an ovation that spoke eloquently of the outlook for his program of unpartisanship and good feeling. Democrats and Republicans united in the greeting. Mr. Harding held a number of conferences with leading public men, left his cards at the White House, spent an hour with the Washington correspondents, and delivered a little speech from his place in the Senate. He assured the Senate of his regrets at ceasing to be a member, and pledged himself

always to keep in mind the proper constitutional relationship among the branches of our government. An excellent effect was produced, for the Congress has been in recent years disposed to resent what it has considered an attitude of aloofness, to put it no more pointedly, on the part of the executive branch. In all his expressions, during and since his campaign, Mr. Harding has made clear that he intends to confine himself strictly to the proper realm of the executive, and to seek in every way the coöperation of the Congress.

Returning, after a month's holiday, rested and refreshed, to his Marion home, the President-elect plunged at once into his task of selecting a cabinet and framing tentatively a policy toward the general subject of foreign relations. In accordance with a promise which he had issued to the country immediately after election, he now began a series of conferences with leaders of public thought in connection with foreign affairs, designed to bring about that measure of national unity which is necessary for the determination of any such policy. The Senate's long and fruitless effort to reach a basis on which the necessary two-thirds vote could be secured for ratification of the Treaty of Versailles, had given the country an acute apprehension of the difficulties of his task; and there has been everywhere a generous measure of indorsement and approval for the method Mr. Harding adopted. Holding fast to the program announced in his great speech of August 28th last, he directed himself to secure support for an association of nations that should give back to the world a concrete body of international law, provide means of conciliating differences between nations, create a public tribunal which should command the support of world opinion in its efforts to settle disputes without war; and, with all this, he kept in mind that the nation must not, by reason of this coöperation with other countries, sacrifice any part of its complete national sovereignty.

Mr. Harding did not confine his conferences to any faction, or even to his own party members. Democrats like William Jennings Bryan, former Ambassador Gerard, and Senator James A. Reed, of Missouri, were invited, came, and after talking with the President-elect, expressed themselves as hopeful that results satisfactory to the nation, and beneficial to the world, would be obtained. Former Senator Root, Mr. Justice Hughes, Senator Knox, and many others,



MR. HARDING ON THE "VICTORIA" IN FLORIDA WATERS

(The President-elect spent several weeks, late in January and early in February, as a guest of Senator Freylinghuysen on the houseboat *Victoria* in Florida)

representing all shades of opinion on the League of Nations issue, were brought into the discussions. From Europe came public statements by various leaders of policy there, that the leadership of the United States, in any feasible plan that would insure its coöperation with other States in maintenance of peace and liquidating the world's many pressing and difficult problems, would be gladly accepted. The Marion conferences were followed with absorbing interest by statesmen everywhere, and before they had ended it was apparent that a much more hopeful feeling regarding the international outlook had been created.

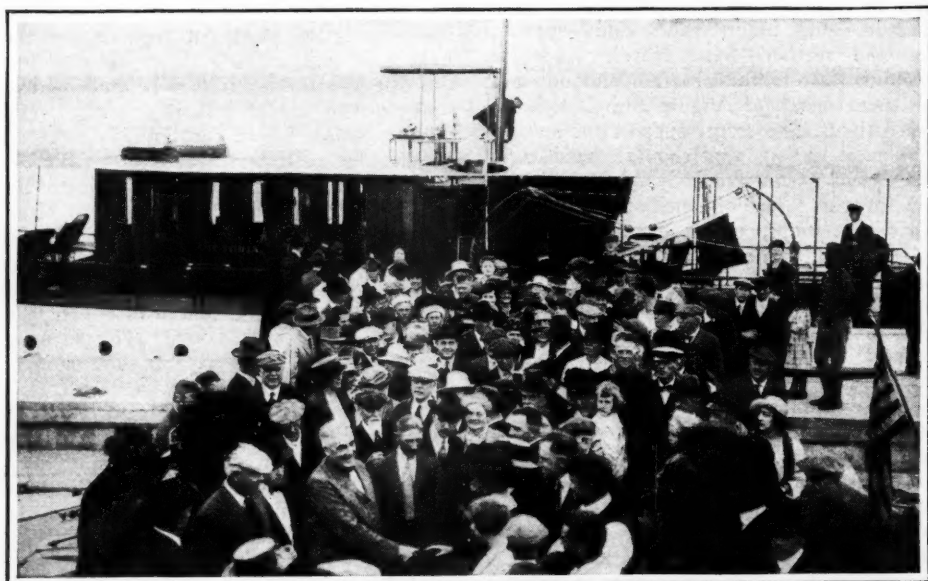
These conferences on foreign relations were not permitted by any means to monopolize attention, however. The many questions of domestic concern which have been insistently pressing for attention since the armistice was signed, and to which all too little has been given by reason of the long struggle with the League of Nations proposal, were also taken up. Revenue and taxation problems were discussed with leaders in Congress and the business world. When

the Republican Congress passed a resolution directing that enlistments for the army be suspended until its strength had been reduced to 175,000, President Wilson promptly vetoed it. Its equally prompt passage over the veto, by an almost unanimous vote of the House of Representatives, was at once taken as earnest of a dawning era of good feeling between the incoming executive and the national legislature. Mr. Harding's earnest request that plans for an elaborate and expensive inauguration be dropped, and that the simplest and most inexpensive kind of a ceremony be substituted, was instantly acquiesced in by Congress and the citizens of Washington, and acclaimed by the whole country as a fine, appropriate and timely display of good taste and an excellent example in frugality and economy.

In the selection of his cabinet, the President-elect constantly impressed the fact that he sought advisers who would fully measure up to the stupendous tasks of national reconstruction that his administration must face. He has been determined that his official family should command from the outset the country's confidence that it would have a business administration. At the time of writing, no announcement has been made as

to any of the men invited to the cabinet, but there is pretty general understanding as to who are likely to occupy most of the posts, and apparent satisfaction that the selections will accurately reflect the purpose to give a constructive, economical, and soundly progressive administration.

Not many times in our history has a President come to his task with so great a fund of popular good-will and so nearly a universal wish for his success. As candidate and as President-elect, Mr. Harding has greatly grown in the public estimate. He has demonstrated marvelous patience, poise, industry and earnestness. Indulging no assumption of expert knowledge in all the fields of activity which his duties will require him to enter, he has shown the same talent for enlisting the experts in his service that was characteristic of Roosevelt. He makes men know that he wants their help and coöperation, and he possesses a positive genius for enlisting them and holding their loyalty. Not only at home but abroad, his administration will be greeted with the most sincere wishes for its fullest success; for it may be doubted whether ever in history a ruler has come nearer to representing the united hopes and aspirations of a sorely stricken world.



Wide World Photos

THE POPULATION OF ROCK LEDGE, FLORIDA, ON THE DOCK TO GREET PRESIDENT-ELECT HARDING  
(After the boat trip along the Indian River in February)



# MAKING GERMANY PAY

BY FRANK H. SIMONDS

## I. THE SECOND CONFERENCE OF PARIS

BY all odds the most interesting event of the past month has been that Second Conference of Paris, summoned to dispose of the all-important question of German reparations. The Treaty of Versailles provided that on or before May 1, 1921, the Allied nations should inform Germany of the total amount due to the countries she had attacked and the rate and method of the payment of this sum. Pending the fixation of this total sum of reparations it has been patent that there could be no real readjustment in the economic world and to the delay in fixing the sum has been ascribed much of the universal economic unrest and depression. Thus it followed that the whole world watched the deliberations at Paris with the keenest attention and concern. On this side of the ocean interest was at least as great as elsewhere, because it was perceived that upon the success of Paris negotiations depended the prospect of the reopening of European markets to American raw materials and foodstuffs and the hope of an ultimate recovery of the \$10,000,000,000 loaned to our associates and now, with unpaid interest, amounting to nearly \$11,000,000,000.

It was the hope of American business men and bankers, of the similar leaders all over the world, that the Paris Conference would be able to arrive at decisions which would meet three obvious conditions—that it would be able (1) to fix a sum which Germany could pay, (2) to fix a sum which she *would* pay, (3) to fix a sum which the rest of the world could afford to have her pay. Could these requirements be met, it was felt that the return to normal conditions in the whole world would come speedily and with infinite benefit to all mankind.

These three conditions rested upon certain obvious facts. There was a general recognition that there was a limit beyond which it was useless to demand payment. Actually the conservative view of the world was divided between two American figures, the

one advocated by Mr. Norman H. Davis, chief of our Financial Mission at the Paris Conference in 1919, the other by Mr. Thomas W. Lamont, also a member of that mission. These figures were, respectively, \$10,000,000,000 and \$25,000,000,000. But it must be recognized that these were capital sums, to which interest would be added to arrive at the total payment. There was general agreement that the total could not be more than Mr. Lamont's figure nor less than that of Mr. Davis. Actually, as we shall see, the sum fixed was \$21,000,000,000.

But it was hardly less necessary that there should be an agreement on a sum which Germany would accept in good faith. True, it was possible to use force, to invade and coerce Germany. But this would not mean a restoration of business prosperity in the world. It would not mean the actual getting of German payments, and it would still leave the creditor nations in their present financial difficulties. It was, then, essential to fix the total of reparations at a sum which would seem to the Germans sufficiently reasonable to make payment preferable to the domestic anarchy and foreign invasion which would follow refusal to pay.

Finally, the world was beginning to recognize that an excessive demand, even if Germany were finally forced to comply with it, and were in the end able thus to comply, would result in the creation of an industrial machine in Germany, which, when the period of payment was over, would be the most formidable in the world. Moreover, it was appreciated that since Germany could only pay in goods exported, and these exported goods would compete in the world markets with similar goods of her creditors, the results might be easily disastrous for the economic life of the creditor nations, whose domestic industries would suffer proportionately, as German exports expanded.

On the other hand, if there was a limit beyond which it was impossible to go in the matter of reparations, if there was another limit still more modest, beyond which it might be dangerous to advance, either because German recalcitrance might defeat all

reparations or German compliance might involve even greater dangers, there was still a minimum which must be attained if the nations which had suffered from German aggression and wanton devastation were to be saved from bankruptcy and ruin.

A single circumstance may illustrate the point. The costs of restoring Northern France have been conservatively estimated at about \$6,000,000,000. The costs for the reconstruction of actual ruin in Belgium, in Italy and in British shipping and as a consequence of air raids over Britain, can hardly be estimated at less than \$4,000,000,000. To this sum of \$10,000,000,000 there must be added not less than \$10,000,000,000 plus another \$1,000,000,000 of accrued interest due the United States as a consequence of loans made by us during the war.

In a word, the costs of restoring what Germany destroyed and of repaying what the United States lent, two essential conditions to the restoration of economic stability in Europe and in the world are, at a conservative estimate, not less than \$21,000,000,000. Moreover, since this huge sum can only be paid in instalments, there must be added to it interest on unpaid balances. In a word, Germany can only pay the interest and a portion relatively small of the principal each year. To discharge the whole debt would be a matter of years—from thirty to forty-two, to accept the most familiar estimates.

If the total of the German payments is not sufficient to meet the costs of actual rebuilding and of the extinction of the American loan, the result will obviously be disaster, in which we shall share, for we cannot hope to be repaid if Germany does not, on her side, pay her victims, who are our debtors. This circumstance must always be kept in mind by American critics of the recent Paris plan.

## II. POLITICAL COMPLICATIONS

Having touched upon the financial conditions governing the question of German reparations, it is now essential to examine the political. In the first place, one must recognize quite frankly that France is bankrupt or solvent precisely as Germany does or does not pay the costs of French reconstruction and the sum of French foreign indebtedness incurred in resisting the unprovoked German attack. And it must also be appreciated that with reparations there is

involved in the French case the question of security, of protection against another attack. For if Germany were to regain her capacity for attacking, no reparations would be of value, since Germany could reinvade France and take back all she had paid and more besides.

At the Paris Conference Clemenceau fought for these two things: adequate reparations and relative security. The latter he thought to obtain through the Anglo-American-French agreement to protect France, to obtain which he sacrificed the Foch program of permanent military occupation of the left bank of the Rhine. To obtain the former was impossible at the First Conference, because no agreement as to figures was possible and both the British and French political leaders had made promises which were extravagant.

Always, it is to be understood, the question of German reparations turns not on what Germany should pay, as the aggressor in a war of conquest, but what it is possible for her to pay. The Paris Conference adjourned without fixing the sum, but decided that the sum should be fixed by May of the present year, and there was a general feeling that by that time there would be a wide and general appreciation of the inevitable limits to German capacity to pay, particularly in France. The two years were set aside as a period of necessary deflation of popular expectations.

Two factors have intervened to destroy this hope. In the first place, the defeat of President Wilson's plans in the United States has resulted in the elimination of the Anglo-American-French Treaty of insurance and France has thereby lost the precious guarantee of security. She has lost it, moreover, in the face of an ever-growing German menace, for Germany has steadily and successfully resisted disarmament. In the last month there has been one more absolute defiance by the Germans. In addition to dealing with the question of reparations, therefore, the recent Paris Conference had also to deal with measures to coerce Germany, if she still resisted disarmament.

Coincident with this complete failure of the measures taken to guarantee French security has been the development in Great Britain of a campaign for the reduction of the sum of German reparations. The British have appreciated that the restoration of orderly business conditions in the world is contingent on disposing of the German prob-

lem. They have suffered and are suffering acutely in their whole industrial establishment as a consequence of the closing of the German and Central European markets, together with those of Russia.

Recognizing that the chances of recovering reparations were growing slighter week by week, the British have carried on a campaign for the reduction of the sum of reparations to such a point as to insure German willingness to pay. And most of the figures suggested by the British have been below that minimum necessary to insure French solvency. France has, then, in all the past two years, found herself increasingly threatened both on the German and British side, with the loss of all that victory and her great sacrifices could mean to her, namely, security and reparations.

As a consequence, the French reaction has been inevitable. All France has demanded that Germany be disarmed, that force be used if necessary to bring about this disarmament, and at the same time there has been growing unanimity among the French that Germany must pay enough to restore French ruins and meet French foreign obligations. The alternative was plainly domestic bankruptcy, the collapse of the whole economic and financial structure of France.

We have had, then, in the past two years, a whole series of Anglo-French conferences in all of which the same issues have been the main topics of conversation. Lloyd George, representing the British desire to get back to business and reopen the German market, has argued for moderation in dealing with German refusals to disarm and has steadily supported the idea of a wholesale reduction of the sum total of German reparations. Millerand, Leygues, and now Briand, have been compelled by French public opinion to oppose these British views, and Leygues, just before the latest conference, was turned out of office because of the fear that he was ready to make too sweeping concessions to British views.

Briand, who succeeded Leygues, went to the recent conference with his hands tied. For some days there was doubt as to who would succeed Leygues. There was grave probability that ex-President Poincaré would be selected, because of his known belief that extreme measures should be taken to enforce French claims and because he was ready, if need be, to sacrifice the British alliance and permit France to act, isolated from all her recent associates.

To understand what actually happened in the recent Paris Conference it must be understood that Briand was doomed in advance, unless he should be able to persuade Lloyd George to meet the political situation in France. But Lloyd George, on his side, was under coercion arising from the British demand that a sum total of reparations should be fixed, and that the sum should be within the limits of German capacity to pay. Neither statesman was a free agent, both were controlled by views which were mutually irreconcilable and therefore the chance of a real settlement was always approximately non-existent.

France maintained that it was impossible to say in advance what Germany could pay—therefore, that no sum total should be fixed. Britain insisted that a fixed sum should be agreed upon as the first condition in the restoration of world stability. France demanded that more German territory be occupied to compel German disarmament. Britain vetoed this, asking more time for German compliance, because further occupation insured further dislocation of the economic structure of the whole world.

Underlying all this obvious collision of national views was the patent peril that the Anglo-French alliance would collapse, with consequences almost incalculable, the first of which would be French action against Germany, action of a military sort, which meant, if not war, a perpetuation of conditions totally destructive of peace in the economic sense.

### III. THE AGREEMENT

I have dwelt upon the foregoing circumstances because it is essential for Americans to appreciate the facts which themselves explain the action at Paris. German propaganda has naturally hailed the Paris decisions as evidence of a purpose to destroy Germany. The conservative critics, the world over, have agreed that the actual terms of the Paris agreement are impossible, since they are contradictory. They have emphasized the world disappointment that the settlement, so necessary to world prosperity, has not only been postponed, but perhaps even permanently blocked by this failure.

But the truth must be found in the fact that the Prime Ministers who made the agreement could not under existing circumstances act otherwise. The real difficulty lies in the conditions themselves, conditions

which have persisted ever since the Paris Conference in 1919, conditions which, after all, have their origin in the character of the German attack upon the world and the extent of the injury wrought. Actually the question may yet come down to whether Germany or France shall be restored, whether France or Germany shall be ruined as a consequence of the German assault. To-day the recovery of France is hanging in the balance and French public opinion, as a consequence, is determined to save her.

Now as to the actual terms of the latest Paris Conference, they are these: It was agreed that Germany should be forced to undertake to pay a capital sum, covering reparations, amounting to \$21,000,000,000, approximately; that this sum should bear interest and be liquidated in forty-two years. Thus the total German payments in interest and in principal would amount to about \$56,000,000,000 and the average annual payment would be approximately \$1,350,000,000, although the amount of the early instalments was reduced, in recognition of Germany's present plight. This total, as I have pointed out, would just enable the British, French and Belgians to meet their costs of reconstruction and to pay their American loans. As far as Italy is concerned, it would not pay the costs of reparation, and at best it would give her absolutely nothing beyond the sum required to meet her American borrowings.

Divided between the creditor nations this capital sum of \$21,000,000,000 would give to France a little less than \$11,000,000,000, to Great Britain a little more than \$4,500,000,000, to Belgium and Italy, \$2,200,000,000 each. The balance would fall to Serbia and Poland. If this sum were actually paid by Germany, the United States would be sure of obtaining from it something more than \$8,000,000,000 owed by Britain, France and Belgium. It might conceivably get \$2,000,000,000 of what Italy owes. But unless Germany paid there could be no hope of our being repaid. This is our stake in the game.

In addition to the fixed sum, the Paris Conference added a 12½ per cent. export tax upon all German goods sent out of that country for the period of the reparations payments. It is here that one finds the explanation for most of the criticisms of the latest Paris agreement. The object of the tax, obviously, was to meet the French demand that there be some return allowed, if

Germany should recover more rapidly than could be calculated. For it must be recognized that the sum fixed by the recent agreement does not meet the costs to which the victors are entitled by the document of Versailles to collect.

France wanted to be sure that if Germany recovered faster than the experts calculated she would have a share in the prosperity, rather than suffer in her own economic life as a result of the burdens she was bearing—burdens which are properly chargeable to the Germans. But this tax, while meeting the French demand and promising a total revenue, stretched over forty years, of about \$10,000,000,000, brought in totally new factors. It constituted, in fact, a burden laid upon the single source of all reparations, namely, German exports.

In the last analysis Germany can pay all her reparations obligations only by the excess of her exports over her imports, by manufactured goods. But this tax gives all her competitors in the world market an advantage of a full eighth. In a word, the thing amounts to obtaining one court order to compel a creditor to pay, and another, in the form of an injunction, forbidding him to pay in the only way possible.

Of course, it will be seen that underlying this tax was the apprehension that Germany might, in complying with the terms of the reparation demands, undersell all her competitors in the world markets and, while paying the fixed indemnities, paralyze the industrial establishments of her creditors. In a word, this provision was, in reality, a recognition of the fact that there was a sum beyond which it would be unsafe to go in demanding German payments, lest these payments, made in goods, should disorganize the home industries of the creditor nations.

Nevertheless it was plain, at once, that this export tax defeated the whole object of the Paris Conference, so far as reaching a settlement was concerned. The tax, itself, represented a departure from the text of the Treaty of Versailles. The extension of the period of payment, from thirty to forty-two years, changed the treaty itself, and German consent was thus made necessary. But to ask this consent meant that a new treaty must be negotiated with the Germans, or force be invoked to jam the new arrangement down German throats.

Having yielded on this point, but having in reality surrendered nothing, since the whole project remained subject to German



acceptance, Lloyd George was able to wring from Briand an agreement to postpone action against Germany for violation of the disarmament clauses until July 1. Finally both agreed in inserting a provision that Germany should not be able to make foreign loans without Allied approval, which meant, in effect, that Germany could not borrow money from the United States without Anglo-French approval.

Such, in brief, was the settlement of the Second Conference of Paris, which in reality was no more than an agreement on new terms to be served upon the Germans at a fresh conference to meet in London on February 28.

#### IV. THE REACTION

It is probably no exaggeration to say that the agreement of the later Conference of Paris was as generally denounced as that of the First. In Germany there was an expression of passionate resentment which was impressive, given the fact that German consent to the amended document was now necessary. There was a sudden rally of all political elements and a frank affirmation of German purpose to resist the terms to the death. Allowing for the usual German bluff, it was still clear that no German Government could survive assent to the new terms and German resistance was therefore bound to be dogged and sustained by national sentiment.

The worst of the situation was that the terms supplied new ammunition for the leaders who had all along proclaimed that the Allied purpose was to destroy Germany and had endeavored to whip national sentiment into such a fury as would insure the return of the old régime. Nor was it less patent that the moment had passed forever when Germany could be expected to submit to terms from her conquerors, in the mood in which she surrendered at the hour of the armistice.

German protests found instant British echoes. The words of many British critics were fully as harsh as those of the German statesmen. The terms were denounced as impossible of fulfilment, quite as vehemently in London as in Berlin. Moreover, there was general British disappointment that once more a real settlement had not been reached and chaos and all the attendant economic evils was not thereby abolished. On the whole, public sentiment in Britain re-

jected the bargain in advance of the arrival of German protests and British criticisms gave new weapons to German opponents.

At best the British recognized in the new bargain no more than a basis for fresh negotiations. In a word, they accepted the conditions as maximum, to be reduced and materially reduced when British, French and German representatives should gather about the green table. Lloyd George was criticized, France assailed, and Germany was thus encouraged to open resistance by the British reception of the Paris arrangement.

In France the reaction was exactly the opposite. Briand was criticized for obtaining too little, for yielding too much to the British. His eloquent appeal to French judgment, his assertion that the French public had been deceived, fell upon unsympathetic ears. He was forced to declare that what he had obtained represented the irreducible minimum, precisely at the moment when Berlin and London concurred in the declaration that the terms stood for an impossible maximum, which would have to be greatly reduced at the next conference.

Here, then, is the making of a new deadlock. France stands solidly on her claims for protection and for reparation. It is a fact, undeniable, I believe, that if France receives less than the sum sufficient to pay for the costs of reconstruction and to discharge her foreign debts, American and British, she is bankrupt. It is equally true that she cannot wait upon German payment. Her solvency depends upon a speedy sale of bonds, covering the German reparations and the return of the proceeds to her treasury. She has spent 25,000,000,000 francs in the past two years on reparations. She must spend as much more in the next two years. She has no money to discharge the interest, let alone the principal, of her American debt.

Accordingly, when the French representatives go to the next international conference, they must either defend the present terms or else consent to modifications which spell the financial ruin of France and, in advance of the arrival of that ruin, insure their own political doom. And insistence by British representatives that France yield still further almost certainly insures the arrival of Poincaré and the collapse of the last semblance of unity between Britain and France.

But the chief source of French disappointment over the Paris result was discoverable in the reception of the terms of the agreement in the United States. After all, on

this reception depended the success of the whole plan. Always the solution of the European situation rests in large measure upon the willingness of the public of the United States to invest largely in German reparations bonds. What was important was not merely to compel Germany to agree to issue bonds to cover the costs of reconstruction and of the extinction of foreign loans, but quite as much to persuade the American investors to purchase these bonds, when issued.

The American reception of the terms, therefore, was the cause of profound disillusionment in France. Yet there was no mistaking that reception. The United States, itself suffering from economic depression due to the closing of Central European markets to its surplus products, at least in part, watched the Paris Conference with eager hope. There was needed in the view of American financiers only a settlement in Paris to start the wheels in the United States, to enable us to turn the corner of financial depression.

When the result came it was greeted, at first by mild praise, based not upon the terms, still undigested, but upon the facts that Britain and France had not separated and that an agreement fixing a sum total seemed to have been reached. But this optimism promptly vanished. Washington, the Administration, while making no public statement, let it be known that the whole transaction was regarded as unsatisfactory. There was even a very keen discussion over the possibility of the publication of an official note of disapproval by the State Department.

In sum, Washington, official and otherwise, regarded the total of reparations as too high, the imposition of an export tax as in conflict with the terms of the Versailles Treaty, and as raising questions as to American rights, while the provision forbidding foreign loans without Allied approval was interpreted as an attempt to forestall the policy of the new Harding Administration, which had already advertised its purpose to make a separate treaty with Germany.

## V. THE NEXT STEP

Before this article reaches my readers the question of the German reparations will have entered a new stage, since the whole matter will be laid before a Conference of London, which is to meet on February 28.

But without attempting to make any forecast as to the future, it is essential to emphasize certain facts.

As to British attitude we must calculate that it will be more and more insistent upon further reduction of the total of reparations and not impossibly upon the elimination of the export tax. Two forces will combine in this action—capital and labor. It is manifestly the desire of all financial and industrial leaders to bring about a speedy return to the conditions of peace, to reopen the German markets to British products, to promote order in Middle Europe.

Labor is equally interested in opening the markets, since it is suffering acutely in consequence of an unprecedented affliction of unemployment in Great Britain. But Labor is equally concerned that the German reparations total shall not be fixed at a sum sufficiently large to imperil British manufactures in the home and other markets. British Labor is afraid of German competition, stimulated by the necessity to pay huge reparations amounts.

When the British and French Prime Ministers meet, Lloyd George, as usual, will have to fight for a reduction of the terms agreed upon at Paris on January 29. As usual the French Prime Minister, whoever he may be, will have to oppose this reduction. We shall have again the old danger of a break between the two countries, either as a result of their failure to agree or as a result of the rejection by the French of the terms accepted on their behalf by their representative.

In this conference Germany will presumably be represented, and will find herself aided by the British view. In addition, in all probability, Italy, with little to expect from reparations, will take a pro-German stand, as she has consistently ever since France supported Wilson instead of Orlando at Paris. There will then be graver danger of French withdrawal than at any previous time, for France is manifestly terribly roused by recent events and little inclined to go beyond the concessions made by Briand in January.

American policy at this moment will be problematical, because the new administration will be just about to take office. But in any event American interest is divided. We need a restoration of order in Europe to open European markets for our surplus and thus help us out of our present difficulties, which, although slight by compari-

son with European, are still unmistakably unpleasant. But if we urge reduction of reparations totals, we shall run the risk of losing part or all of the \$11,000,000,000 which Europe owes us in loans. Moreover, if there should be a crash in Europe, we stand to lose some \$4,000,000,000 in private credits which we have extended since the cessation of government lending.

There are two dangers which, like Scylla and Charybdis, forever wall the channel of statesmen in the matter of German reparations. To make the sum too large is to drive Germany to resistance, which will mean chaos. To make the sum too small, insufficient to meet the French costs of reconstruction and the extinction of foreign loans, both the result of an unprovoked German attack upon France, is to drive the French to take action against Germany, which will banish all hope of an immediate or reasonable solution of the world's economic crisis.

Moreover, French action is made the more problematical by the fact that the Germans have seized upon the divergence among British, French and American views in the matter of reparations as supplying an opportunity to evade disarmament. Thus France has always to confront a vengeful and still partially armed Germany, precisely at the moment when she is urged to consent to a reduction of the German payments, which means a transfer from German to French shoulders of the tax burdens resulting from Germany's attack upon her.

Thus there is a point at which France may well conclude to face such financial disaster as may come and seek by vigorous action in Germany and without regard for the wishes of her former allies and associates to lay for many years to come the peril of German aggression. In a word, it is always possible that France, finding reparation unattainable, may decide to seek security, as the single gain left her after her great sacrifices.

Such a French course would mean a financial crash in Europe. It would mean the prolongation indefinitely of chaos in Central Europe. It would mean the certain inability of any European country to make any payment on the debt of \$11,000,000,000 owed the United States. It would mean the closing of the European market to American products almost indefinitely and it would have even graver consequences in Great Britain, where the domestic conditions are

fairly desperate even now, as a result of unemployment, in part due to European disorders.

Moreover, one must recognize that it lies within French power to act, since she has the one strong army in the world, and Germany, despite her failure to comply fully with the terms of disarmament, would be incapable of successful resistance. Obviously such a policy would cost France the sympathy and the support of her former associates and allies, but none of these is in a position to make war on France, and Great Britain and the United States are with respect of France creditor, not debtor, nations, and are unprepared to make further loans to influence French policy.

To put the thing very bluntly, the situation has arrived in which the United States and Great Britain, who have most at stake, must consider how far they are prepared to support France, with the alternative that France, left to herself and rendered desperate, may be forced by the will of her own people, to take steps which will promote chaos and gravely affect American and British interests, which are all locked up in the speedy return of peace conditions.

## VI. SUMMING IT UP

I have devoted my entire space this month to the question of the Paris Conference and the issue of German reparations, because it seems to me of transcendent importance, and the present crisis the gravest since the close of the World War. It has, moreover, an obvious American value. We are, willingly or unwillingly (and patently we are unwilling), involved in the present tangle, since we stand to lose upwards of \$15,000,000,000 in money already advanced to European nations, and suffer incalculable further losses, if the European conditions grow worse.

We are involved again, just as we were involved in the war in 1917, despite every effort on our part to remain outside. Certainly we shall not be ruined, if Europe fails to save itself. Our economic situation is too sound fundamentally to collapse, whatever may happen in Europe. But we shall see depression prolonged and industry slackened for an indefinite period, if the forthcoming London Conference ends in a break, if it fails definitively.

Despite all arguments to the contrary, the League of Nations issues are not involved. What is in question is the revision of the

Treaty of Versailles. But the issues of the hour have a different application in each of the four great nations. Germany seeks to evade everything. Her course in the matter of disarmament is proof positive of her bad faith. Britain and the United States, having little to fear from Germany and nothing to make directly by rigorous policies, are eager to see Germany at work, her industry operating, her markets open. But France, with security and solvency at issue, must give all her concern to making Germany pay and disarm.

It is possible, it is reasonable, to hope that the solution may yet be found. But the solution cannot be found unless France and Great Britain remain united and Germany consents to accept terms which, however modified, insure to France the necessary minimum of reparations and the absolute maximum of security. Moreover, no agreement which does not commend itself to American judgment as workable, can really serve any useful purpose, because upon American participation in the bond issues of Germany depends the entire question of success or failure of the reparations plan as a whole.

To-day we are two years and a quarter away from the end of the fighting and we have not found a firm basis for peace yet. The worst of the political obstacles, save in the case of Russia, have been removed. But the economic barriers have multiplied rather than diminished in recent months. No one can fail to appreciate the fact that, despite improvements in certain quarters, the whole European situation is still desperate and must become hopeless if the anarchy and misery which are now so widespread continue and increase in the coming year.

Until the question of German reparations is really settled there can be no solid improvement. The recent Paris Conference, controlled by the political circumstances in France and Great Britain, formulated a program which in the judgment of the most conservative and least partisan world observers does not make for settlement, but for chaos. It will have to be amended and this amendment must lessen the burden upon Germany, not because Germany is entitled to relief, but because the world must have peace.

But having through more than two years avoided all payment of reparations and being encouraged by her present escape and by the promise held out by Allied disagreements

that she may permanently escape, Germany is obviously striving to turn the world demand for peace to her own advantage and put upon the shoulders of those she assailed the costs of her crimes. And, in a sense, this means winning the war, after all, or at least attaining peace without victory.

The gravest danger, after all, lies in this German policy and purpose. If there is a limit to what Germany can be made to pay, there can be no question as to making her pay heavily. If any country must be ruined, certainly France and not Germany has earned immunity. And in the last analysis France, herself, will see to this, having ample force in her own hands.

If German governmental finances are hopeless, the German economic machine is not only intact, but functioning with utmost efficiency. The real misery is not in Germany, but in the devastated areas of France, where men and women are still living in the "pill boxes" and dugouts left behind by German invaders on the ruins of villages once prosperous and happy. If German children are underfed, French children are dying in large numbers, as a consequence of German acts in the invaded departments.

German factories are in order, but many French factories are still lacking the machinery removed by Germans and waiting upon German reparation, in some measure, for reconstruction. France has strained her credit to the last point and her resources to the breaking point to restore her ruined provinces, but while the fields have been returned to cultivation by a miracle of labor, the homes have not been rebuilt and cannot be rebuilt until Germany pays—and she has paid nothing on this account as yet and means to pay nothing, if she can avoid it, if she can turn to account the selfish desire in all nations to reopen German markets and thus feed home industries.

And this fact excludes all others in the French horizon. It must be reckoned with in all future calculations as the failure to reckon properly with it has so far wrecked all previous calculations. In calling Briand rather than Poincaré in the recent crisis, France—the French Parliament—gave new proof of a desire to avoid extremes and to preserve the Anglo-French solidarity, which must be the sole basis of salvation for all Europe. Moreover, Briand has shown courage in telling France truths which are dangerous to utter and difficult to accept.



# AIR POWER vs. SEA POWER

BY BRIG.-GEN. WILLIAM MITCHELL

Assistant Chief of Air Service, Formerly Commanding Aviation, First Corps, First Army, and Group of Armies, A. E. F.

THE time has come when we must seriously consider the lessons which we have learned from the war concerning matters of national defense. These lessons must be interpreted with particular application to our own needs in America. It is idle to think that a great war such as that in Europe has not made certain changes in defensive arrangements necessary. The most radical change in this respect has been the injection of an entirely new force—never before used in war—for which there was no precedent, no organization, no material, and no tactical system. This new element in warfare was the airplane, with its crew, its armament, its branches of the service—pursuit, bombardment, and attack—the new industries that had to be created for its upkeep, and new means of transportation through the air, aside from all the arrangements of actual combat.

At the end of the war it was an established fact that the principal mission of an air force was the destruction of the hostile air force; in the same way that the mission of an army on the ground was the destruction of a hostile army, and the mission of a navy on the water was the destruction of a hostile navy. Not only in the application of armies and navies must the hostile air force be kept down, so that information of the enemy can be gathered by the airplanes to be used by the force employing them—which is decisive in itself—but also an air force can be applied at great distances in the attack and destruction of industrial centers, railroad centers, moving troops, trains, or convoys.

In fact, the development of airplanes since the war has been even greater than during the war. Their radius of action, their capacity for carrying bombs, cannon, and other weapons have been magnified tremendously since 1918.

While having a great deal of precedent to go on for the operation of an air force over the land, we had very little to go on as precedent in operations of an air force over the water; because, in the first place, the British

Fleet—which was the principal object of bombardment—was stationed at Scapa Flow, about 500 miles away from the German airdromes, which required a round trip of something like 1000 miles, which no bombardment airplane at that time could make. Next, the principal decision was being sought for on land, and not on the water, and the air force was concentrated over the land for that purpose. Notwithstanding this, there were some sinkings of unarmored vessels, and a torpedo-boat or two, by airplanes, with small bombs.

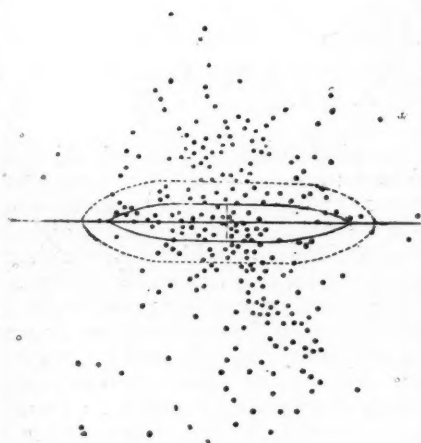
## *Effect of Anti-Aircraft Fire*

Since the war we have airplanes with a great radius of action that are able to carry bombs weighing a ton or more; and in the solution of our national defense problem, which charges an air service with the attack of hostile shipping, it has been necessary to study the relative effect of bombs, torpedoes, and cannon against shipping. To begin with, an airplane always has the power of initiative over a vessel on the water, because its speed is four or five times as great.

We have had a great deal of experience with anti-aircraft fire on land, where the conditions are very much more favorable to the anti-aircraft artillery than they are when on the decks of vessels. Our losses from anti-aircraft fire in Europe were negligible, being about one-tenth of one per cent. of the airplanes crossing the line—and this is indeed a liberal allowance. So we have definitely proved that, even with the development of anti-aircraft defenses from the ground, they alone are incapable of defending anything against an air force, and that the only defense against an air force is another air force.

Next, we find that high explosives were the dominant factor in the destructibility of projectiles. A cannon projectile for the attack of naval vessels carries from  $2\frac{1}{2}$  to  $3\frac{1}{2}$  per cent. of explosive—or a cannon projectile weighing a ton has about fifty pounds or so of explosive in it. An air bomb, on the other hand, has 50 per cent. of explosive in it—or

**BOMBS-DROPPED-FROM-6000-FT.-AT-POINT  
AROUND-WHICH-MODERN-BATTLE-CRUISER  
IS-SHOWN-ALSO-DA-N-G-E-R-S-P-A-C-E-D-O-T-T-E-D-L-I-N-E.**



**6000-FEET-ALTITUDE  
251-BOMBS-DROPPED  
55-DIRECT-HITS  
50-WITHIN-DA-N-G-E-R-S-P-A-C-E  
105-OR-41.8%-TOTAL-DESTRUCTIVE-HITS.**

one-half its weight—so that an air bomb weighing a ton has 1000 pounds or more of TNT in it. Consequently, as far as the explosive effect is concerned, the comparison between a cannon projectile and an airplane projectile is as ten to one in favor of the aerial bomb.

#### *Accuracy of Fire from Airplanes*

Next, we might consider the accuracy of hitting. At 20,000 yards (about twelve miles) a cannon projectile has shown so far an accuracy of about 8 or 10 per cent.—this with the very best shooting, and under the best conditions. An airplane can go 100 miles or more in an hour, and its accuracy is just the same as it is five miles off. On fixed targets our accuracy at 6000 feet on a target the size of a modern battleship has been 41 per

cent. of hits in some trials. Bomb-dropping was carried out with dummy bombs against an obsolete battleship, counting direct hits and those that struck within sixty feet, which is the danger area of the bombs; an accuracy of about 30 per cent. was obtained at an altitude of 4000 feet, eight of these hits being direct on the ship itself. Both actual hits and dispersion were better than with an equal number of shots from large cannon at battle ranges.

As to hitting a moving target—particularly a vessel on the water—many people think that the motion makes hitting more difficult. The contrary, however, is the case; because the difficulty of hitting an object by aerial bombardment is a question of the relative speed of the target and the plane. It might be likened to a man jumping from one automobile into another one—both going sixty miles an hour. In this case it is the same as stepping from one fixed position to the other. If the ship on the water were moving at a rate of forty miles an hour, and our airplane over it were going forty miles an hour, all one would have to do would be to get squarely over the target and drop the bomb, and it would hit every time. Our bomb sights are arranged, therefore, to compensate for the difference in speed between airplane and target; and the faster the target moves, the easier it is to hit.

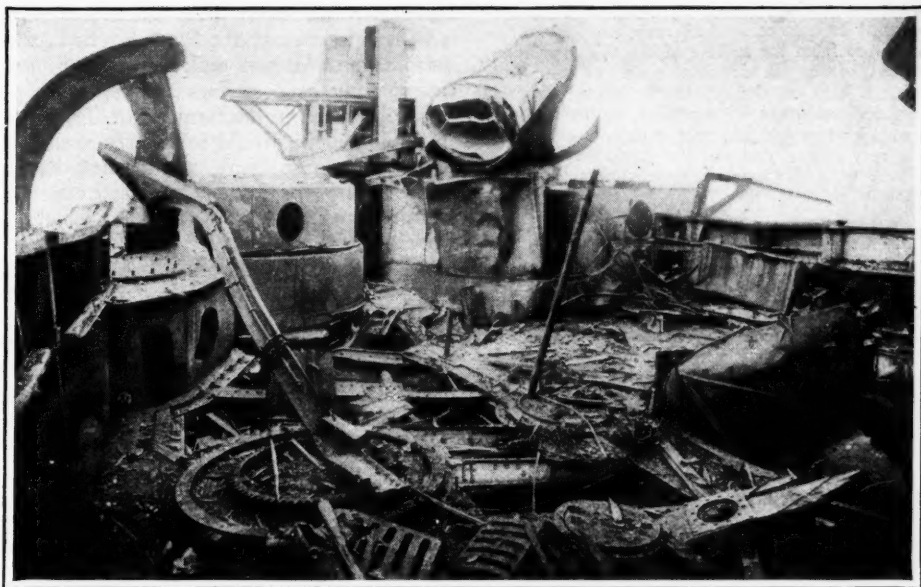
The maneuvering of a vessel on the surface of the water is so slow as compared to the maneuvering of an airplane that we believe it is practically negligible. A target on the surface of the water stands out very prominently—much more so than on land—both by day and by night, because there is nothing to conceal, such as trees, hiding under the ground, or camouflage by objects like it and near it or other measures for concealment.

From our experience in the war with anti-aircraft artillery and machine guns, we have little to fear from such weapons on board seacraft; because it not only would be inefficient as compared to land anti-aircraft fire—due to the motion of the vessel—but a direct

BATTLESHIP		BOMBING-PLANE	
INITIAL COST	\$45,000,000	INITIAL COST	\$6,000
SPEED	21 KNOTS (39-40 M.)	SPEED	180 MILES
PERCENTAGE OF HITS (1800 YDS.)	11.2	PERCENTAGE OF HITS (14-DANGER-ZONE-FROM-4000 FT.)	41.8
MAXIMUM RANGE	20 MILES	RADIUS OF OPERATION	300 MILES

#### **COMPARATIVE COST AND EFFICIENCY OF BOMBING PLANES OVER BATTLESHIPS**

(The longer line indicates a one-hour flight of an airplane from its carrier to the enemy. The shorter line indicates the twelve-mile range of a battleship. It would cost \$8,000,000 for an airplane carrier complete with a squadron of bombing planes and supplies to maintain the squadron during one hundred hours of flight. A modern battleship would cost five times as much.)



EFFECT OF AN AERIAL BOMB EXPLODING ON THE DECK OF A BATTLESHIP

(It will be noticed that the turret is cracked, parts of the deck are blown off and everything within sight is completely demolished. Such a shock would, besides, destroy lighting and communication systems and disrupt intricate mechanisms of all kinds. If exploded in the water alongside the vessel, the bomb would either sink or permanently disable it. It should be remembered that airplane bombs contain a higher percentage of explosives than shells, mines, or torpedoes.)

attack at very low altitudes by a number of airplanes would counteract it. On land it is difficult to find the concealed anti-aircraft batteries; on the water these are contained on the decks of seacraft. We therefore believe that our percentage of hits against shipping would be extremely high as compared to hits on objects on land—particularly because we can attack over the sea at very low altitudes without inordinate loss.

Next, we must consider the effect that air projectiles will have against shipping. In this connection we can dismiss very quickly the question of the destruction of torpedo-boat destroyers, lightly armored cruisers, and supply ships. They can be destroyed without question by very small air projectiles. If a fleet is deprived of its auxiliaries—such as torpedo-boat destroyers and light cruisers of various kinds, together with its supply vessels—the ability of a battleship to exist will be very much diminished. In other words, it will be decisive without even destroying the battleship.

#### *What Can Be Done to Battleships*

As to the attack on the battleship itself, we are familiar with the action of mines, which contain from 200 to 300 pounds of explosive among the very largest ones. Our 500-pound

bomb contains 250 pounds of explosive; our 600-pound bomb contains 300 pounds of explosive; our 1000-pound bomb contains 500 pounds of explosive; and a ton bomb will contain 1000 pounds of explosive. The action of these bombs when exploded either against the side of a ship, under water with delayed action of fuse, or within fifty or sixty feet of the vessel is similar to the action of a mine, except magnified progressively in accordance with the weight of the explosive which the bombs contain. We have no example in war of what a heavy bomb dropped on the deck of a battleship will do. We therefore have to judge by what has been done in peace and what we know of the action of high explosive on the deck of a ship. Such a bomb was exploded on the deck of the old battleship *Indiana* on Wednesday, October 3, 1920. A 1650-pound bomb, with 900 pounds of explosive, was laid on the deck of this vessel and exploded. To quote from the report of an eye-witness:

This bomb completely demolished the superstructure and all the upper part of the ship between the two stacks; it cut off one stack and lifted it up onto the next deck; it made two long cracks in the 8-inch barbettes and drove in one of the plates of this turret about 8 inches. The heat was so intense that it fused the metal in several places on the side of the barbettes. This

bomb was exploded after dark on the 3rd; consequently it was easy to observe the flash. The flame rose from the middle of the ship, extending probably from the forward mast to the cage mast, as high as the top of the mast, where it expanded and then disappeared, followed by a dense cloud of smoke; the concussion naturally was very strong and missiles could be heard in the air to a distance of approximately a mile from the ship.

This eye-witness further states:

It is safe to assume, judging from the results obtained with the 1650-pound demolition bomb containing 900 pounds of amatol exploded on the deck, that this amount of explosive is sufficient to put a modern battleship out of action. It is safe to assume that the flame and gases generated by the explosion would instantly kill all those that were reached by them. This would include all personnel in the turrets, provided one of the openings was directed toward the explosion; lastly, and of major importance, all personnel in the engine room, since the gases would readily penetrate through the gratings over the engine room. It is safe to assume that any personnel in the turrets in the immediate vicinity of the explosion would be killed by concussion. The damage to the navigating instruments and communications would certainly be considerable.

After a careful inspection of this vessel, and noting the effect of this single bomb, I thoroughly agree with the conclusions arrived at by this eye-witness; and I further believe that any direct hits of large bombs on the decks and superstructure will break every electric-light globe on the ship, throwing her into absolute darkness below decks, disrupt telephone, radio, and interior communication systems; fill fire rooms, engine rooms, and all compartments ventilated by force draft system with noxious gases; cause shell shock to persons within a radius of 300 feet; disrupt ammunition hoists; dislodge or jam turrets; at least dish upper decks; kill all persons on upper decks—that is, anti-aircraft crews, fire-control parties in the top, etc.; cause fire to break out; and sink or disable the battleship.

Detonations of bombs under the water, even at a distance of 50 feet, if exploded opposite the forward part of the ship, will cause the ship to settle by the bow, making her decrease her speed, steer badly, and consequently to fall out of formation. If an explosion occurs aft, the after compartments will fill, causing the ship to settle by the stern; the main propeller shaft will be thrown out of line, causing almost immediate stopping of the engines on that side of the ship, with a consequent slowing down of speed, and making her unable to keep in the formation. In addition, the rudder will probably become damaged and make the ship a menace to one

behind her. If the explosion occurs alongside, it will at least cause the battleship to take a sharp list, making it difficult to steer, and consequently cause serious trouble in keeping her position in the formation. These results, we believe, would follow the explosion of a single large bomb, as indicated above.

A properly organized air attack against shipping is so arranged as to bring squadron (twenty-five airplanes), group (100 airplanes), or wing (200 or 300 airplanes) attacks against her at the same time. She will be hit by one or more air projectiles at the same time; and no matter if one figures a loss of upward of 30 per cent. of the bombardment airplanes attacking—which, of course, is entirely out of any proportion of loss which will actually occur—the ship will certainly be destroyed or put out of commission.

Now these facts have not yet been proved, but they are so nearly sure that we are able to conclude very definitely that aircraft can now attack battleships with success, providing we are allowed to handle this matter entirely from an air standpoint; to apply the lessons we learned in Europe; to develop and improve the material we now have on hand; and if that material is not exactly right, to develop new material that is suited for the purpose. So far no especial air equipment for the attack of naval vessels has been developed. We are merely using things adapted from other uses.

Cannon have been developed for 500 years, and still can make only a small percentage of hits at twelve miles. Our Air Service was only developed during the four and a half years of the war, and since; and we can make a great deal larger percentage of hits at 200 miles.

The results of test cannon firing against battleships carry out our conclusions. What we should now do is to prepare systematically to prove these things actually, as nearly as we can under peace conditions, and to allow this new air force to be given its due weight in our organization for national defense.

#### *Comparative Costs*

As to the costs, a modern battleship costs over \$40,000,000; a bombardment airplane costs \$40,000. Therefore, 1000 can be built for the cost of one battleship. The projectile from, say, a 16-inch cannon, costs about \$2000. The gun has a life of less than 200 shots, and at 40,000 yards—or eighteen miles—can only make about 2 per cent. of hits. Consequently, it will only hit twice with a



projectile much more inefficient than are those from an airplane. An airplane has the same percentage of accuracy anywhere within its flying distance, and its life is not measured by the number of bombs it drops, but by the life of its motor.

A piece of railroad artillery of the largest size, with its accessories, costs from \$360,000 to \$500,000. Ten airplanes can be obtained for that same price. The battleship requires about 800 men to run it; a railroad gun about 150; airplane from ten to twenty. Consequently, from the standpoint of cost, there is no comparison. Battleships are so tremendously costly, not only in themselves, but in their dock-yards, repair facilities, and all the accessories necessary for their upkeep, that they offer a very serious burden on the resources of a country.

We must all remember that the ultimate defense of a country depends on its man power. This means the Infantry, with its auxiliaries fighting on the ground as man to man; and everything, whether it be in the air or on the water, must be organized with a view to assisting this human force. Our Navy must be maintained at the highest state of efficiency, and not be discarded until we are ready to substitute something for it that has been absolutely proved; and that substitution must not be made until it is ready actually to take the field. On the other hand, we must develop any new things that can prove their worth.

To-day, those of us who have given our lives up to the study of air matters and who have had experience in aviation thoroughly be-

lieve that the great battleship on the water is as vulnerable to air attack to-day as was the "knight in armor" to the footman armed with a musket. We thoroughly believe that the control of the water is a question of the proper organization and application of the air forces of a country. Other countries are going ahead full speed with their air forces. We lag behind. What we should do—and it will cost us comparatively little in this country—is to show what an air force can do, first, and what it cannot do, second. The only way to bring this about is to unify all our aerial activities under one head and hold this head responsible to the people for the development of aviation. Much more will be accomplished by putting this aerial development under personnel that is interested in it instead of under those whose psychological makeup is such as to minimize its development, or place it in a secondary rôle. Fighting in the air is the same whether it be conducted over the water or over the land. When you are jumped on by an adversary in the air, you don't look down at the ground, and you don't look down at the water; you attack him as best you can, high above the land, high above the water, and often high above the clouds.

In America we know we can develop an air force the peer of any in the world; that if the \$100,000,000 which was set aside for the use of aviation this year could be applied under unified direction, where all the overheads and wastage now resulting would be minimized, within three years we need fear no other air power.

## THE POWER OF THE SUBMARINE

BY LINDON WALLACE BATES

[Mr. Bates is a distinguished harbor engineer, and was chairman of the Engineering Committee of the Submarine Defense Association, the work of which he describes below.—THE EDITOR]

**I**N July, 1917, the shipping and insurance interests in New York organized the Submarine Defense Association. The aim of the association was to see that all measures were taken to safeguard vessels threatened by U-boats. Nearly a hundred leading American and British companies joined and all the leading shipping insurance concerns. Lucius H. Beers, counsel for the Cunard Company, was elected chairman; J. A. H. Hopkins, of Johnson and Higgins, was elected vice-chairman, and the writer became chairman of the engineering committee. Ad-

miral William S. Benson assigned a vessel to the association for experimental purposes, and the new organization, though entirely independent, enjoyed the closest and most cordial relations with the American and foreign authorities. An immense number of suggestions for dealing with submarines were received and tested, and no expense was spared by the association in its efforts to analyze and develop proposed devices for minimizing the menace.

As a result of this practical and scientific experience, I may express the opinion that

the great war was won on land and just in time. On the ocean, the submarine had proved itself potentially supreme. This conclusion is of such importance to the future of naval warfare that I will explain the measures taken to combat the submarine menace—measures which proved inadequate. In our investigations, we were subjected by the authorities to three fundamental conditions. Nothing that we proposed must limit either the speed of a vessel, or its radius of action or its ability to maneuver. These restrictions proved fatal to nearly all of the suggestions received.

We found naturally that camouflage was of assistance. Visual deception was first applied by the Germans to their U-boats, which thereby were rendered less conspicuous. For years prior to the war, the great powers had painted their warships various tones of gray, but when the United States entered the war, there had been as yet no notable effort by the Allies to disguise vessels, and the Camouflage School in New York was the first of its kind in the world. The visibility of the *Tuscania*, when she sank, was reckoned as the numeral 14, but for such a ship, we got that reduced to 0.2, or one-seventieth. This success was only achieved through infinite study and experiment, in the course of which we directed the work of artists, who applied color schemes evolved by research work at Eastman's Laboratories, Rochester, New York. The objects of camouflage were, first, to promote a low visibility beyond the immediate danger area of a torpedo, and secondly, within that area to deceive the eye and brain, as to the character, direction and position of the ship.

Another step was to substitute a new method of steering. Hitherto, vessels had proceeded zigzag, along straight courses, which enabled the submarine to reckon out the ship's course in advance. We invented an instrument that enabled the merchantman to steer a succession of logarithmic curves, which rendered such calculation impossible. Moreover, in attacking the submarine, depth-bombs were used, containing first 300 pounds, then 600 pounds and finally 1200 pounds of superexplosive. In one attack alone, one hundred of these were said to have been released and even then they could not say for certain that they had destroyed the U-boat.

The one hope of overwhelming the new and deadly weapon lay in the discovery of some apparatus which would locate the sub-

marine within a radius of four miles and follow it up. This apparatus would have to work effectively on a destroyer rearing and plunging, darting this way and that, in and about a big convoy or battle fleet, with all its many underwater noises. During the war, no instrument for thus recording sound was of practical value on the high seas. Use was made of ether waves. By associating waves of unequal lengths, somewhat as an organist will produce rumbles by depressing a number of keys in the base of the instrument, a beat-tone was secured which worked very well on land, where one could detect the presence of marching troops, or even of barges passing through water in the vicinity. When peace was declared, this instrument was nearly perfected and it reveals whatever may be passing in No Man's Land. But the trouble with it was that with a destroyer plunging about on the high seas, one cannot analyze the aural impressions. I am bound, therefore, to state that as inventions now stands, submarines have the best of it.

The under-water boat can be constructed at comparatively small expense in rivers like the Volga, far inland, and need only be produced at the required moment. It is probable that the necessity of coming to the surface will be reduced by improved arrangements of the motive power adopted. And this fact alone will make the submersible a still more powerful weapon. Not only will the submarine enjoy a wider range of action but it will very likely carry hydroplanes and thus prove invaluable to an air force.

Building battleships is now therefore sheer waste of money. We must modify Admiral Mahan's theory of sea power. Against a fleet of submarines, no great army can be maintained across the ocean. Against attack by a foreign power, Australia and New Zealand can make themselves absolutely secure. Given enough submarines, the United States is now a distinct and impregnable unit. And so is the old world. If war breaks out again, it will be fought on land behind a ring fence.

For Britain, it is obvious that the defense of her essential trade routes is now a matter of anxiety. It is doubtful whether she will be able to do this and certainly not with battleships. There is a new argument for the Channel Tunnel connecting Dover and Calais and so bringing Britain into touch with the mainland of Europe. As a matter of imperative precaution, Britain should establish a store of at least one year's food.

# WILLIAM T. MANNING, THE NEW BISHOP OF NEW YORK

BY LYMAN P. POWELL

WHILE the guns of Dewey were still resounding in our ears and Cervera's battered hulks were bleaching on the Cuban shore, "Emphatically, yes," replied William T. Manning to the inquiry of his newly elected successor in a Pennsylvania parish, "Is Lansdowne all right?"

"Emphatically" has always had large place in the vocabulary of New York's Bishop-elect, whether saying "yes" or "no." But his voice is never strident; his manner not aggressive.

His personal winsomeness has always been noticeable. Few men of his day have his power to draw human beings to him, and to turn mere acquaintances into steadfast friends. He has never been too busy, busy as he always is, to speak the word of cheer, to write the note of sympathy. But they presume who, in consequence, endeavor to break up his carefully planned schedule or use up wantonly time which is a cherished asset to a man who gets things done. His now world-wide contacts—evidenced by the avalanche of letters and telegrams and cablegrams pouring in these days, even from far-away Algiers or from a Subway guard he has not seen since Roosevelt left the White House—have become possible because he plans his minutes and chooses his own stopping-places along the way of an unresting but unhurried life.

They presume, too, who fail to see the

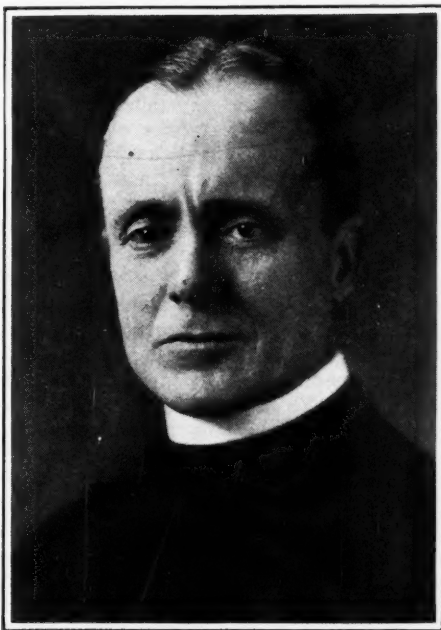
fighting priest in the sympathetic minister. He has lived by his convictions, and often fought for them. Even if he did not learn them all at the feet of his great master, William P. Du Bose, the saintly and original theologian of the South, who made his youthful student first a teacher at his side, and then a helper in the writing of his books,

he articulated them in those impressionable days, especially one winter when the two lived together down in Florida, writing in the morning, working in the garden in the afternoon—thinking and talking whether in the study or the garden.

In his earlier ministry now and then some man of affairs measured swords with William T. Manning. One of them who found "a first-class fighting man" in the modest minister told me years later: "That man will be a Bishop yet"—a prediction various dioceses before New York have endeavored to make true.

Dr. Manning never courts a glorious defeat when by waiting

he can have substantial victory. The Trinity tenement problem was a legacy from an earlier generation when he succeeded to his present unique rectorship. The storm of public criticism had for years been raging round the corporation when he began his work. In semi-silence he endured much public misunderstanding. He waited long enough to gather his parish round



Photograph by Campbell Studios

DR. WILLIAM T. MANNING  
(Bishop-elect of the Protestant Episcopal Diocese  
of New York)

him. - Then he struck at the heart of the problem at the proper time by engaging an expert designated by the Charity Organization Society to study the situation and he accepted her conclusions. Criticism is no longer heard. Trinity has now made a distinct contribution to the housing problem of the city.

Under his administration Trinity Church, which was once popularly regarded as a church largely made up of the rich and exclusive, has taken on a wholly different character in the mind of the community. It is thought of to-day as in the best sense a Municipal Church, in vital touch with the life of the city. It has made its pews free to all, and has become a great church of the people. Until two years ago those pews had been rented; some of them, in fact, had been owned in fee by old colonial families for two hundred and twenty years.

When the infamous phrase "A scrap of paper" assailed the conscience of the world, Manning did not spend a few years in making up his mind. Like George Haven Putnam and James M. Beck, though he obeyed the Executive exhortation officially to be neutral, he at once declared war on the unspeakable wrong-doing. All through those years from 1914 to 1918 his voice rang clear throughout the land: "Jesus Christ came, not to bring peace at any price, but righteousness at any cost."

The Convention which chose him for the Bishopric was a model. Every man—Slatery, Stires, Thomas, placed in nomination with him—was altogether worthy. No mistake would have been made in choosing any of the four. Such a wealth of material for high office almost bewildered some who wanted to vote right. The tide was rising everywhere for Manning without depreciation of others. It had, however, been publicly suggested that Manning would prove to be a "bit-and-bridle" Bishop. The delegates knew better. His friend, Karl Reiland, of another type of Churchmanship, said from the floor "if Dr. Manning ever has to use the curb bit on anyone it will be done with such tact and graciousness that the man will think he is getting a facial massage." The vote showed what the Convention thought.

Perhaps it was a fortunate accident that the stanch American elected Bishop happened to be born across the seas. His training from boyhood has been here. He has never exercised citizenship in any other country. His nativity simply suggests the desirability of English-speaking people under-

standing one another. Lothrop Stoddard's picture of the peril of the Yellow Race has thrown a chill into many a heart. We who speak a common tongue, who have a common law, and common religious pedigree, must hang together or we shall all hang separately. Of us, Dr. Manning says: "We are called to stand and strive together, not for any selfish aims or ambitions, but for the good of all mankind." This is a time for the constructive imagination and spiritualized idealism of the English-speaking people to reach far into the future. We must not, through any lack of foresight, let the world go to ruin, and then amid the ruins childishly lament:

"I didn't do it.  
I didn't mean to do it.  
I'm sorry."

The Bishop-elect is an uncompromising Christian in the exquisite setting of a Church which, like a well-established family, preserves its traditions, customs, symbols. He puts Christ first. He believes the historic creeds represent the progressive effort of Christian believers all along the ages to explain in terms of their own time the personality of the Founder of the Christian Church. He is grateful for the riches of the past, but he is "emphatically" a forward looking man. No *via media* appeals to him. He abhors the nondescript. He denies that mistiness can ever be the mother of wisdom.

He holds to the Christian faith historically interpreted, but he sees the spacious common ground on which Christians of every type may work and worship. As Army Chaplain he fraternized with Romanist and Protestant of every sort without capitulation of his own convictions. But he does not believe the divisions in Christendom have ever been necessary or need continue. He quotes Arthur Henderson that when split up into denominations, Christianity cannot deal "adequately with the growing forces of reaction." He says: "A divided Church is giving us a non-believing world." His goal is definitely unity. Meanwhile he has only praise for such organizations as the Federal Council of Churches, eagerly promoting among thirty denominations the spirit of co-operation. If we can get to the halfway house of federation, perhaps we can rest awhile, and then march on "like a mighty army" to the millennium of a final unity.

No wonder that with such a cosmic conception of Christianity, William T. Manning has become a world leader in the big



movement for church unity. The details of his policy you cannot learn from him. He is in the highest sense an opportunist, as Bishop Potter was, though his ecclesiastical background is altogether different. None will care to ask such questions who know the leading share the Rector of Trinity has had in the movement for a World Conference on Faith and Order, and in promoting the more recent Concordat with Congregationalists. Never once in all these years has he said a foolish word or done an unwise act in the *rapprochement* of Christians everywhere. "One step enough for me," has been his lifelong policy. He feels his way, but he is always moving forward.

Perhaps that is why the controversy about him a year or two ago seemed to shift from talk about altar lights and vestments to a growing confidence that he understands what things are best and what are second best. He loves to recall that good Pope of the fifth century who wrote certain Gallican Bishops as any Presbyterian might: "We should be distinguished from the people by our learning, not by our clothes."

There was one moment in the convention day which Dr. Manning will possibly remember when other moments have grown dim. That was immediately after the adjournment when the generous Dr. Stires cordially clasped his hand and said: "You are no longer a party man, but the Bishop of our Church. That is what I have told the newspaper men here." Dr. Manning answered: "I'll sign any statement of that kind you write. With God's help I'll try to be a Bishop of all the people."

To some who look ahead this new election seems to open another and a brighter chapter in the relationship of Christians. The war has made New York the central city of the world. Already ranking with the Bishop of London, the new Bishop of New York becomes a world leader. His own church gives him its confidence. His leadership in public service now moves higher. He will go into office with the good-will of Protestant and Catholic. He has given no hostages to fortune-seekers or tuft-hunters. Historic Trinity graduates him into the highest place there is for an American Episcopalian. He will remain, however, the "home" man he has always been, profiting in

the future as in the past by the wise counsel and self-effacing coöperation of a devoted family and an innumerable multitude of friends equally of low and high degree.

Success has never spoiled him in the past. Now in the fulness of his powers, success will scarcely try. It would be a waste of time and energy. By gospel preaching, simple service, and intelligent administration, in two years he built up his Lansdowne parish and handed over to his successor an organization so compact that it has exercised a quiet influence ever since, with only one change of rectors in twenty years.

In the new position for which he laid long since a deep and wide foundation, he will be the same minister with ripened experience. He will smooth out most of the inevitable difficulties of his office with that rare human touch he has almost a genius in employing. He will dodge no issues which should be met outright, but around many he will find the proper way because he knows that most difficulties are really misunderstandings, and people generally desire to do the right. He will be an elder brother to his fellow ministers, and in these days of care and worry for the ministry, many a heartache will be relieved, many a tragedy averted, by a visit to the understanding Bishop. Even to the perfunctory and professional who sometimes thrusts the spear of official duty into the heart of love, William T. Manning will often say, without offense: "I know a shorter road to the heart than the official route which you would have me take. It is the road of simple, human understanding."

He asks nothing from any man. From every one of any fold he craves coöperation in the discharge of high and heavy responsibilities, in doing what he can in his position to help upbuild a better world than the one the war has left us. It takes more than good intentions, rare ability, unusual preparation and varied experience such as William T. Manning brings to the Episcopate to make a Bishop truly great. It takes the trust of all he serves in church, city, nation, world. Never possibly has any man succeeded to a Bishopric with more of universal trust. William T. Manning will repay in wider as well as deeper service. He will illustrate anew George Eliot's worthy words: "Those who trust us educate us."

# CONGRESSMAN LITTLE AND HIS "STATUTES-AT-LARGE"

BY HARLEAN JAMES

AT the beginning of the Sixty-sixth Congress, two years ago, when Mr. Mondell became floor leader of the majority party, the Representative from the second district in Kansas, Colonel Edward C. Little, became chairman of the Committee on the Revision of Laws after having served a single term in Congress. As measured by publicity, patronage, and importance, this committee has not had much to offer since the Revision of Federal Laws in 1874. The chairmanship carries with it the right to two rooms in the House Office Building and the authorization to employ a reviser at \$4000 a year besides the allowance to each chairman of a committee in Congress for clerical assistance. For over a generation the chairman has presided at infrequent committee meetings, and the reviser has revised as conscientiously and extensively as time and opportunity permitted.

But the new chairman of the committee took his promotion seriously, just as he had taken the Spanish War seriously when he served as Lieutenant-Colonel of the Twentieth Kansas Volunteers under Funston in the Philippines. In looking over the field of work, in order to select the most promising subject for revision, he read everything he could find on the subject. He dug up information about the Code of Hammourabi, the Code of Justinian, and the Code Napoleon. He studied the records concerning the preparation of the Revised Statutes of 1874. He puzzled over the point of attack; and then, with characteristic decision, he exclaimed: "Shucks! Why make two bites of the cherry? We will just make a Code!"

And so Chairman Little set forth to begin his codification by employing a reviser—a good, competent reviser, as authorized by law—for \$4000 a year. But it appeared that revisers did not come at that price. The investigations had disclosed that the cost of preparing the Revised Statutes of 1874 came to \$100,000, and that a commission working from 1897 to 1906 had spent \$200,000 on a proposed revision of federal laws

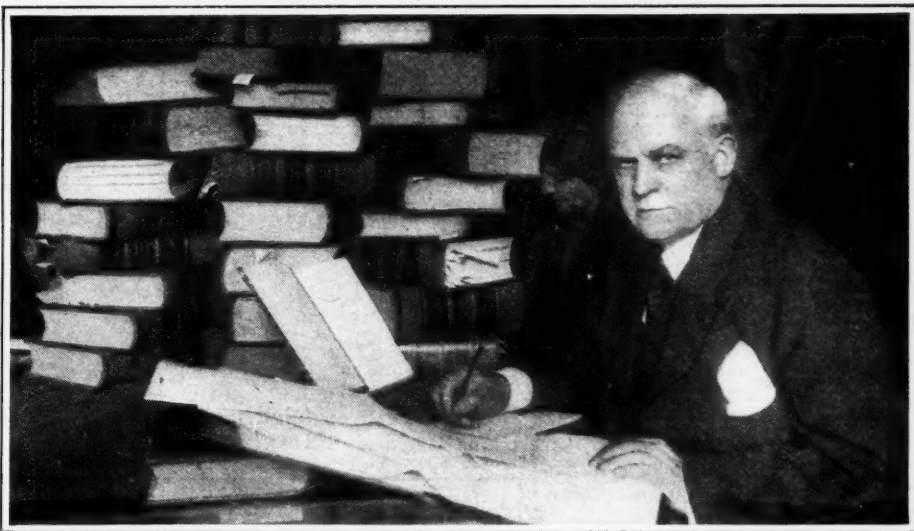
which the Committee on Revision of Laws refused to present to the House. It was quite evident that such work was neither cheap nor easy.

Nevertheless Chairman Little persevered. He drafted his wife into the service; and together they began the task of preparing copy from the thirty-six Statutes-at-Large, of which the Revised Statutes of 1874 form the first volume. He then succeeded in securing one by one the services of ten eminent lawyers from different parts of the country, some of them university professors, and by allowing a small compensation for extra time he "farmed out" his \$4000 for the summer's work.

The undertaking for several months was carried on quietly, with no further authorization than the assumption that the purpose of the committee was described in its name. On September 20, 1919, Representative Little introduced into Congress House Bill 9389 "to consolidate, codify, revise and reenact the general and permanent laws of the United States in force March 4, 1919."

Colonel Little was born in Ohio, but if he had been a Connecticut Yankee he could not have kept the expense lower. He was disturbed by the apparent waste of money involved in printing this colossal bill in the ordinary form and then reprinting it in act and book form. He found on investigation that the form of printing bills in Congress was one of precedent and not of law, and he proceeded to print his bill in the exact form to be used later in the volume. When this was discovered there was quite a formidable array of opposition and criticism that a member of Congress should have dared to break precedent even to save money; but finally everybody calmed down and let Representative Little have his way.

For a year and a half, Colonel and Mrs. Little worked steadily with the ten revisers, who were scattered over the country except for brief visits to Washington to attend the informal training school in method which Chairman Little established. The members



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HON. EDWARD C. LITTLE, REPRESENTATIVE FROM KANSAS, AT WORK ON HIS REVISION OF FEDERAL STATUTES

(Working steadily for a year and a half, Colonel Little and his helpers have succeeded in compiling within a single volume all the general and permanent laws of the United States. The new Revised Statutes contains 1251 pages; and it takes the place of thirty-six volumes, some of which are seen here on Colonel Little's desk)

of the committee rendered help when they had time. The aid of the Legislative Reference Department of the Library of Congress was enlisted. When the work piled particularly high, extra proofreaders were called in. The committee rooms were turned into work offices and there seldom was an evening when the lights of Room 109 did not stream out across New Jersey Avenue until near midnight.

At last in December of 1920 the task was completed. A code had been made and set up in type. Useless chapter headings and side notes were dispensed with, sub-headings were set in bold-faced type for easy reference. This saving in cost and space had resulted in the preparation of a single volume at something less than \$15,000. The volume covers *all* the general laws that have ever been passed in this country which are still in effect. Repealed, appropriation, and executed laws have been eliminated and amendments and riders to appropriation bills have been incorporated. The volume contains less than 1251 pages and covers 10,747 sections grouped under 60 titles.

The accuracy of the codification has been checked and rechecked. Copy has passed through seven independent examinations and every section has been read and corrected by the chairman. The appropriate subject mat-

ter was also submitted to the executive department heads; and their legal advisers examined the laws with the result that several executive seals of approval have been placed on the accuracy and sufficiency of the Code. Printed copy has been proof-read at the Government printing office, and gone over by the ten lawyers and by a proofreader in the office of the committee. The Code also carries in its text, at the end of each section, the citations of origin for the benefit of those who consult it.

On December 20, on suspension of rules and read by title only, H. R. 9389, containing 10,747 sections, as drafted by the chairman and approved by the Committee on Revision of Laws, passed the House of Representatives unanimously and went to the Senate. It is hoped that the Senate will enact it into law before the close of the present session. Before the Sixty-sixth Congress dies, therefore, the United States of America should have its first Code of all the federal laws, as the Revised Statutes of 1874 constitute a revision rather than a codification. The cost will come within \$15,000.

Certainly the public at large owes Representative Little a debt of gratitude, first, for a Code; second, for his method of organizing trained service; and third, for his thrifty precedent of saving money for the taxpayers.

# THE GREATEST SALT DEPOSIT

BY N. H. DARTON OF THE U. S. GEOLOGICAL SURVEY

**A**LTHOUGH salt is one of the most common minerals, it is the one most used in our daily life. The annual production in the United States is somewhat more than 7,000,000 tons, and the aggregate production in foreign countries is more than 10,000,000 tons a year. Some of this salt is from the sea, much of it comes from surface deposits in basins of lakes or former seas, and a fairly large proportion comes from beds in various geologic formations at greater or less distances below the surface.

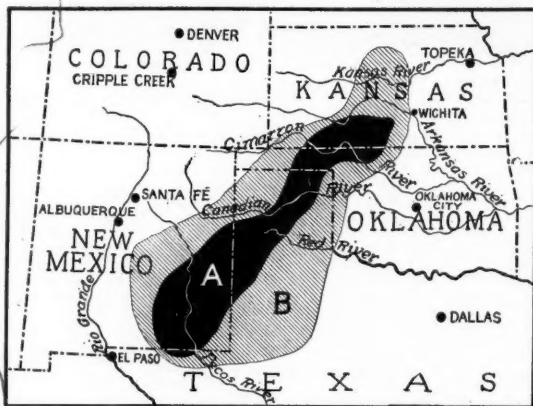
It has long been known that a thick salt bed underlies part of central Kansas, the source of salt produced at Hutchinson and Lyons, but its extent was unknown. Many holes drilled for oil or other purposes during the past few years have shown that this deposit extends continuously across western Oklahoma, northwestern Texas, and far into eastern New Mexico. The limits are not yet fully determined, but in general the region underlain by thick salt is fully 650 miles long from north to south and 150 to 250 miles wide from east to west—a total area of about 100,000 square miles.

The thickness and succession of the beds is variable, but 700 feet or more of pure salt are known in some holes and in many regions the aggregate is more than 300 feet. It is by far the largest known deposit in the world. The salt does not come to the surface, but lies mostly from 500 to 1000 feet below. In Kansas the salt underlies all the south central counties and may extend as far north as the Nebraska line. Its thickness is about 400 feet at Anthony and Kingman and more than 200 feet in an area of large extent. In Kansas it lies from 200 to 1200 feet below the surface.

In Oklahoma the great salt succession appears to underlie Beaver, Harper, Woods, Ellis, Woodward, Roger Mills and Beckham counties, and a thickness of 580 feet is reported in some borings. Many borings in the Panhandle of Texas have proved

the presence of the salt under the greater part of that region as far south as latitude 32° with an area of at least 50,000 square miles. The thickness is 700 feet in one well and more than 500 feet in several others.

In New Mexico the salt has been found to underlie the greater part of the southeastern counties, south of latitude 35°, 15' and east of the Sacramento Mountains. At Carlsbad 633 feet of pure salt was pene-



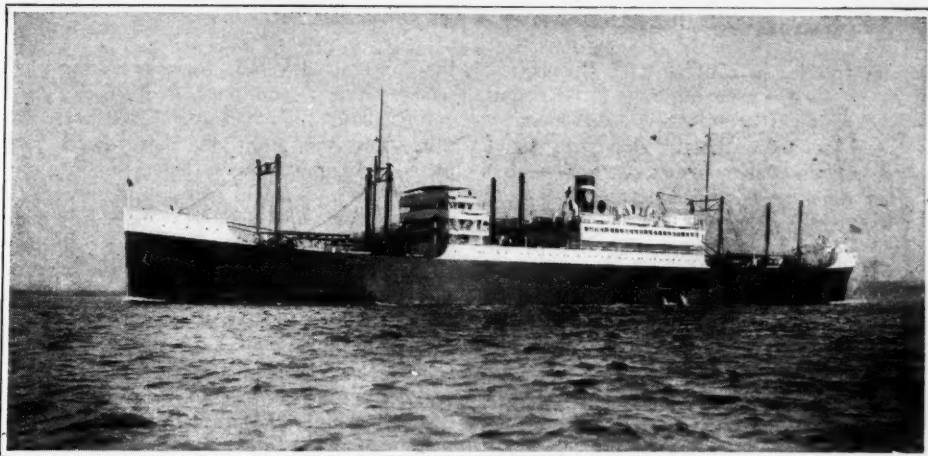
THE GREAT SALT DEPOSIT  
(Area in black [A], thickness of more than 400 feet;  
shaded area [B], less than 400 feet)

trated and near Roswell the thickness is 520 feet, while other holes show a thickness of 200 feet or more. The southwestern limit of the deposit is not yet known; it may extend in considerable thickness under the Pecos Valley for some distance into Texas.

So far the only utilization has been in the Lyons-Hutchinson area in Kansas, where high-grade salt has been mined in shafts and obtained by evaporating brine pumped from bore holes.

The amount of salt in the region above described, assuming a very moderate average thickness of 200 feet under an area of 100,000 square miles, has been estimated by the U. S. Geological Survey as about 30,000 billion tons, or enough to supply the world for two million years at the present rate of consumption.





THE S. S. "OLD NORTH STATE," ONE OF SEVEN PASSENGER AND CARGO LINERS OF THE "522" TYPE BUILT FOR THE EMERGENCY FLEET CORPORATION

(Four of the seven—all built by the New York Shipbuilding Corporation—have already been delivered. They are the *Old North State* and *Panhandle State*, now being operated in the transatlantic service of the United States Mail Steamship Company, and the *Cerule State* and *Wolverine State*, allocated to the Pacific Mail Steamship Company for operation in its Manila-East India Service from San Francisco. The vessels are 522 feet long over all)

## AMERICA'S MERCHANT FLEET

BY THEODORE M. KNAPPEN

**R**EGALED by stories of petty or grand graft and waste, the public probably thinks that the whole great Emergency Fleet venture, like most war enterprises, is a total loss, with little salvage. Mr. Average Citizen reads in his newspaper that \$2,000,000,000 has been burned up like so much gunpowder, reflects on the size of his income tax, mentally groans, concludes that we are confirmed landlubbers, and philosophically charges the whole mess to the inability of government ever to do a good business job.

But it isn't so bad as all that. Whatever the mistakes of construction and operation, and however dubious may be the future, the facts stand out that the great merchant fleets of the United States Shipping Board are on every sea of the world, that they do a business of about \$30,000,000 a month, employ from 50,000 to 80,000 seamen, and carry fully one-quarter of the overseas commerce of the United States, now vastly the greatest such commerce in the world.

### *The New Shipping Board*

Whatever the cost, whatever the muddling and drifting, and despite kaleidoscopic changes in the board and in the personnel of its business organization, the Emergency Fleet Corporation, the Shipping Board, is

now the greatest business instrumentality of the United States Government, and deals with national moneys and properties on a scale greater than that of the entire Government activities of twenty years ago. What is this body and what does it do?

Under the provisions of the Jones Law, passed by the last session of Congress, a board of seven men now directs the affairs of the largest single maritime enterprise in the world. Its powers and duties are defined by that same act, which is in effect the constitution of the new marine policy of the United States. The old shipping board, which was created by act of Congress in 1916, was a pigmy, in its inception, compared with the new one. The war emergency gave it vast powers and responsibilities, but they were emergency measures. Eighteen months passed after the armistice before Congress laid down a permanent policy for the board and for the fostering of the American Merchant Marine. Further delay resulted from the President's tardiness in completing the personnel of the new board. Also, the initiation of the program of preferential customs tariff treatment for goods imported in American vessels has been prevented by the President's refusal to take steps, as directed by the act, to abrogate the com-

mercial treaties in conflict with this policy.

Owing to the probability that the Senate will not confirm President Wilson's nominations it is not likely that the newly-organized board will do much outside of routine, thus leaving the new administration a free hand for its merchant marine development ideas, which are very aggressive. Because of vacancies in both the old and new boards the responsibility of the enormous Governmental business venture rested for many months on the shoulders of two men, Admiral W. S. Benson, the chairman, and Mr. John A. Donald, the other remaining member. Naturally they have deferred momentous decisions wherever possible. The Jones Act (named for Senator Wesley L. Jones, of Washington, chairman of the Senate Commerce Committee) has laid down the main outlines of a settled American merchant marine policy, and the new board will have a program chart by which to steer, a chart which Admiral Benson has done much to fill out. In brief, it is the business of the Board to dispose of its ships as soon as it may do so advantageously, operating them in the interval in the promotion of American sea transport, and thereafter to act as the national guardian of the American merchant marine.

#### *Uncle Sam's Inventory of Ships*

But while policies have been shaping or drifting the ships have been ceaselessly sliding into the water and setting forth upon the seas. From being the greatest builder of ships the board has now become, perforce, the greatest operator. The mighty shipbuilding effort, which was the foundation of the new age in America and, probably, in international maritime history, nears its end. The ships that make America potentially the second maritime power in the world are built, or nearly so. Viewing the war as of indefinite duration, the program at one time contemplated 3270 vessels, great and small. After the armistice this program was successively pruned until to-day it stands at 2312 vessels of 13,636,711 dead-weight tons. Over 2200 of these ships have been delivered—an average of more than two a day since the beginning of the war with Germany.

The complete fleet includes 1567 steel ocean-going ships, of about 9,000,000 dead-weight tons, 589 wooden vessels of 1,900,000 tons; 18 composite boats of 63,000 tons and 12 concrete, of 74,000 tons. Besides

the constructed vessels there are about 125 seized German and purchased ships, aggregating about 800,000 tons. Of the wooden ships, however, only 304 have been completed as cargo steamers, the rest of them being tugs, barges, hulks and sailing vessels. Of the built or building steel vessels 1420 are cargo, 25 are passenger and cargo, 17 are transports, 9 are colliers, 11 are refrigerator ships and 77 are tankers, including 13 built for the Navy. The rest of the steel vessels are tugs and barges. These figures are still subject to revision in a minor degree.

The selling of the Government ships through a vigorous and well-planned advertising campaign, under the direction of Herman Laue, the Board's advertising manager, has been going on coincidentally with the winding up of construction ever since the armistice, and at the middle of November last the total number of vessels sold, great and small, aggregated 554 of a total tonnage of 2,200,000. In addition it is to be noted that there were many losses during the war and since. A recent summary showed that the Shipping Board owns 1627 documented sea-going vessels (500 tons or over), including 284 wooden and composite vessels and five of concrete. It is now generally conceded that the wooden vessels may be left out of consideration. At one time more than 200 of them were in service, but with the recession in business all but 60 have been tied up. Of the grand total 1504 are cargo, 27 cargo and passenger, 76 tankers, 15 refrigerators and 5 transports.

#### *Largest Fleet in the World Under Unified Control*

In their primary function as instruments of war the emergency ships, whatever their origin, carried 95 per cent. of the war material sent abroad and 45 per cent. of the troops. That is all history now, and the present national worth of the fleet is to be measured by what it is doing as a carrier of commerce. In number of ships it constitutes almost half of the sea-going merchant marine under the American flag and in tonnage 65 per cent., the total for Government and private vessels being 17,500,000 dead-weight tons. In passing, it is interesting to note that in total tonnage, including every sort of vessel, the United States now has 24,386,000 tons, against 33,126,000 British tons.

The great Shipping Board fleet, incomparably the largest single-control fleet in the world, and larger than the total under any



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## THE UNITED STATES SHIPPING BOARD IN SESSION

(From left to right, the members are: Joseph N. Teel, Frederick I. Thompson, Guy D. Goff, Admiral William S. Benson [chairman], Charles Sutter, Chester H. Rowell, John A. Donald)

other flag than that of Great Britain, is managed by the division of operations of the Emergency Fleet Corporation, through which the Shipping Board carries on its business activities. The corporation does not directly operate any of its ships, but acts through private individuals or companies. The ships with a few negligible exceptions are not chartered, but are allocated on agency contracts. The agents include most of the old steamship companies, but the majority of them are companies formed in recent years for the purpose of entering the marine business by operating Shipping Board ships.

At the height of the shipping activity last summer there were about 250 of these operating agents, most of whom were operating regular cargo lines as distinguished from "tramps," and the number of routes served was well over 300, embracing virtually every accessible port in the world. Taken in conjunction with the activities of the privately-owned American ships, they have wrought a revolution in the aspect of all the world's great ports. They display the Stars and Stripes as a commonplace occurrence throughout the ocean lanes and stations that had scarcely known it for decades.

#### *How Operators Are Paid*

The operators formerly worked on a contract whereby they managed the ships in the trades to which they were assigned for a consideration made up of \$200 a month a ship, seven to ten cents per dead-weight ton while the ship was in actual operation, and a commission equal to from 10 to 25 per cent. of the net profits. The form of contract has recently been changed so that the compensation is chiefly based on the cargo handled and the business done, the principal items being 5 per cent. of the ship's revenue

from all cargo sources when outward bound, 2½ per cent. inward bound, between American ports and between foreign ports; 10 per cent. on passenger business in passenger vessels and 5 per cent. on passenger business in cargo vessels. The operator acts in every respect as and for the owner, the Shipping Board. He mans the ships, purchases all supplies, secures the cargo, attends to repairs, collects moneys earned, etc. Wherever the Shipping Board maintains stores of its own, however, the operator replenishes his ship from them instead of by private purchase. In case the ship's revenues do not yield sufficient funds to meet expenses the agent is authorized to call on the Emergency Fleet Corporation for an advance.

#### *Passenger Lines*

The Emergency Fleet Corporation is weak in passenger ships. Aside from the seized German ships it has or will have only 23 cargo-passenger boats. The new United States Mail Steamship Company will eventually get most of the better German passenger ships, fifteen, under a special five-year contract, whereby it pays the Shipping Board so much a ton for the use of the ships. This company intends to establish five services, of which two—those between New York, Queenstown, London, Cherbourg and Southampton, and New York, Bremen and Danzig—are now in being; the new Shipping Board ships *Panhandle State* and *Old North State* being used on the first-named route and the *Susquehanna* (former German) on the latter. The other services are to be: New York, Queenstown, Boulogne and London; Boston, Queenstown, Cherbourg and Boulogne; Baltimore, Boulogne and Bremen.

Another new American passenger service

to Europe is that of the Baltic Steamship Company, which operates the *New Rochelle* (formerly the *Hamburg*), a seized German ship purchased from the Shipping Board, now in the New York-Havre-Danzig service.

The Munson Steamship Company is operating three former German passenger ships in a new line between New York, Rio Janeiro, Montevideo and Buenos Aires, they being the *Martha Washington*, the *Callao* and the *Huron*. The United States & Africa Company is operating the *Eten*, a former German passenger ship, between New York and South and East Africa. The Porto Rico Steamship Company is operating the *Porto Rico* (ex-German) between New York and Porto Rico.

The Pacific Mail Steamship Company has already sent the *Creole State* and *Wolverine State* around to San Francisco for the San Francisco-Manila-India service. These new ships, like the *Panhandle State* and *Old North State*, are of the "522" type, of which there are seven. They are primarily cargo ships, with accommodations for eighty-four first-class passengers—and are obviously not suited for the transatlantic packet service. They are better adapted to the transpacific and South American trades. They are of enormous cargo capacity and their steaming radius is 15,000 miles at 14 knots an hour.

The "535's," so called because they are 535 feet in length, are 16 in number, have an ever greater cargo capacity than the 522's a steaming radius of 11,700 miles at 17 knots, and accommodations for 260 first-class and 300 third-class passengers. Their builders are the New York Shipbuilding, Bethlehem (Sparrow's Point), and Newport News yards. The Pacific Steamship Company

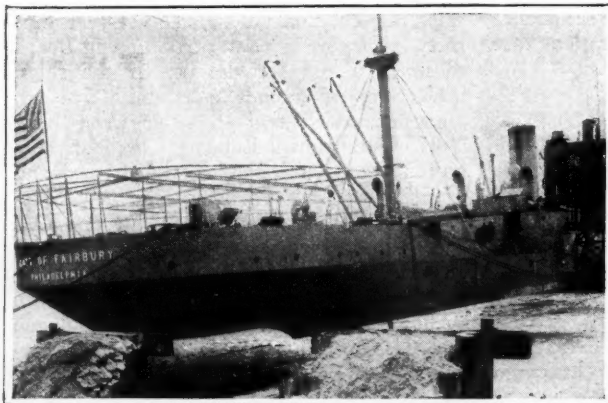
(Admiral Line) gets two of the first to be delivered, the *Wenatchee* and the *Keystone State*, for the Seattle-Japan-China-Manila routes. The Admiral Line will also operate the *Silver State* and *Pine Tree State*.

Of the other "535's," as they are completed, the Pacific Mail Steamship Company will operate the *Lone Star State*, the *Empire State*, the *Hoosier State*, the *Palmetto State*, the *Golden State*, and also the *Granite State* of the 522 group—all in the transpacific trade. The Munson Line will have two of the "535's" for its South American service—the *Seagirt* and the *American Legion*. Two others, the *Buckeye State* and the *Hawkeye State*, will go to the Matson Line service between California and Hawaii, and the *Centennial State* and *Blue Hen State* will be assigned to the Ward Line for the Caribbean service. Two or three of the new ships are still unallocated.

#### *Ships in All the World's Ports*

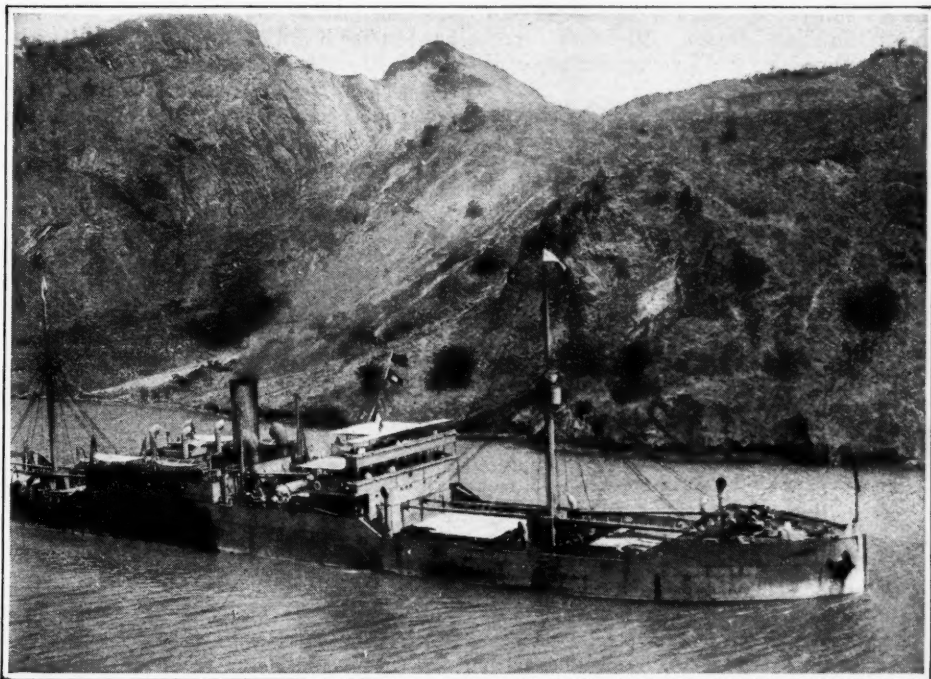
When we turn back to the cargo ships and undertake to specify the routes upon which they operate, we plunge into general geography. Name any port of consequence in the world and you can find a line of U. S. S. B. ships making regular calls there. Previous to the shipping slump 38 per cent. of the cargo vessels were in the Northern European trade, 9 per cent. in the Southern European, 4 per cent. in the African, 17 per cent. in the Transpacific, 15 per cent. in the South American, 9 per cent. in the West Indies and Caribbean, 6 per cent. in domestic service and 2 per cent. operating between foreign ports. Every American deep-water port is represented in some of the foreign services; indeed, the Shipping Board's policy

is to oppose the tendency toward concentration at New York. There is a line from Portland, Me., to British, Dutch, German, Indian, and West Indian ports. From Boston you can ship "U. S. S. B." to Black Sea ports, to Greece, to French Mediterranean ports, to North Africa and the Levant, to West Africa, the Canary Islands, and the Azores; or to Los Angeles, San Francisco, Seattle and Vancouver, to Belgium, Germany, England, Scandinavia, French Atlantic Ports, South America, India, etc.



THE "CITY OF FAIRBURY," OF PHILADELPHIA, AT HAVRE, FRANCE





THE OIL-BURNING FREIGHTER "LEHIGH," PASSING THROUGH THE PANAMA CANAL, EN ROUTE TO PORTS ON THE WEST COAST OF SOUTH AMERICA

(The vessel is one of 122 standardized ships constructed in the great yards of the American International Shipbuilding Corporation at Hog Island, near Philadelphia. It is said that the vessels built at that one yard alone have already steamed an equivalent of 146 times around the world)

From New York 274 ships stir the salt water to hundreds of oversea ports; 102 from Norfolk, 90 from Baltimore, 23 from Boston, 101 from New Orleans, 68 from Galveston, 1 from Wilmington, N. C., 6 from Charleston, S. C., 28 from Savannah, 23 from Jacksonville, 2 from Brunswick, Ga., 11 from Tampa and 35 from Mobile, 132 from the Pacific ports, 53 exclusively between foreign ports, and more than a hundred "tramp it" from the Arctic to the Antarctic and draw their wakes around the world. The services between foreign ports are largely in the nature of feeders for lines that radiate from American to foreign ports.

Every trade in the world that has an American link now commonly sees passing the new ships of the Emergency Fleet. These ships that were built to beat the German have seen his exit from the sea and are now competing with the Britisher and the Norwegian, the Japanese, the French and all the rest in bringing to us the products of all zones and climates and taking hence to all lands the products of our farms, forests, mines and factories.

Mar.—5

The Pacific, from being a Japanese lake, has been turned into an American pond. From Seattle, Tacoma, Los Angeles, San Francisco, and Portland no less than ten companies operate cargo lines to Yokohama, Shanghai, Vladivostok, Saigon, Singapore, Kobe, Hongkong, Cebu, Dairen, Iloilo, Manila, Hawaii, Australian ports, Indian ports, etc., to say nothing of Atlantic, Far Eastern "feeder" and around-the-world routes.

South America, on both its coasts, is wrapped in a web of U. S. S. B. cargo routes. There are forty-one Shipping Board lines to South and Central America, of which twenty-three serve the east coast from Panamá to Patagonia from American Gulf and Atlantic ports. Ten lines issue from American Atlantic coast ports, pass through the Panama Canal, and steam up and down the western coast of South America. Four direct lines operate between U. S. Pacific ports and South American Pacific ports. One line operates between Pacific coast ports and South American Atlantic ports. Three lines operate to Central American ports. Altogether 134 Shipping Board vessels come

and go between the United States and "all points south" of Mexico. All South America is outlined by the foaming sea paths of the new Yankee ships.

With the world wound like a spool with new Shipping Board lines, to say nothing of the host of ships that now fly the house flags of private American companies, it is no surprise, though an immense gratification, to learn that in the last fiscal year American vessels carried 47 per cent. of United States exports and 72 per cent. of the imports, or 57 per cent. of the total American international trade. Compare this with the 8 and 9 per cent. of a decade since.

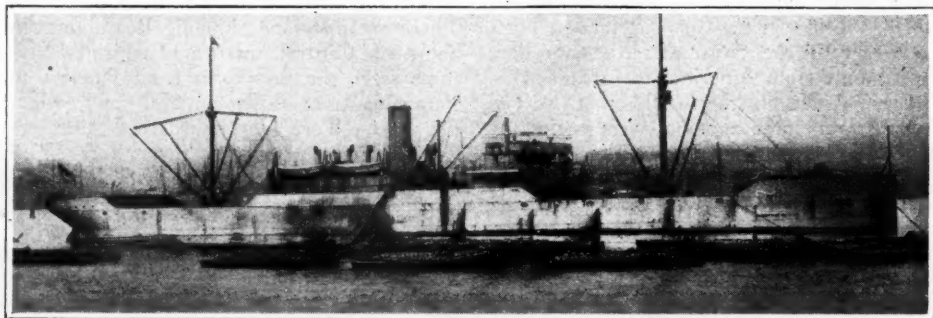
#### *Oil as Fuel*

To supervise this fleet and look after its many requirements and safeguard its interests the Shipping Board has established agents in Bermuda, Havana, Shanghai, the Azores, Buenos Aires, Rio de Janeiro, Manila, Yokohama, Tampico, West Africa, St. Thomas, Iquique; and from headquarters in London directs local offices throughout Europe. Based on a wise policy of independence of foreign fuel, space and labor economy and other considerations, the Shipping Board Fleet is 80 per cent. oil-burning, some of the vessels even being motor ships, and is therefore fueled by oil rather than coal, bunkers. Oil bases have been established at St. Thomas, V. I., Honolulu, Manila, Point Delgada, Shanghai, Iquique, Rio de Janeiro, Bizerta, Brest, Genoa, Savona, and Hamburg. Transporting oil to these bases in its own tankers, the Shipping Board has been able to supply 75 per cent. of its requirements of oil, without recourse to local markets, and in 1921 will make it 100 per cent. The roaring furnaces of the Government ships consumed 18,000,000 barrels of oil in 1919; 30,000,000 in 1920,

and will take 40,000,000 in 1921. This oil has cost the board all the way from 74 cents to \$2.30 a barrel. Any enterprise that spends more than a million dollars a week for fuel is relatively big even in these billion and trillion dollar days. From the beginning of operations up to the end of the last fiscal year the Division of Operations had received \$769,000,000 in operating revenues, had expended \$328,000,000 in voyage expenses and \$208,000,000 on ship charters. Adding the amounts of ship sales and sums realized from the sale of yards and materials, brings the total receipts up to \$1,149,000,000.

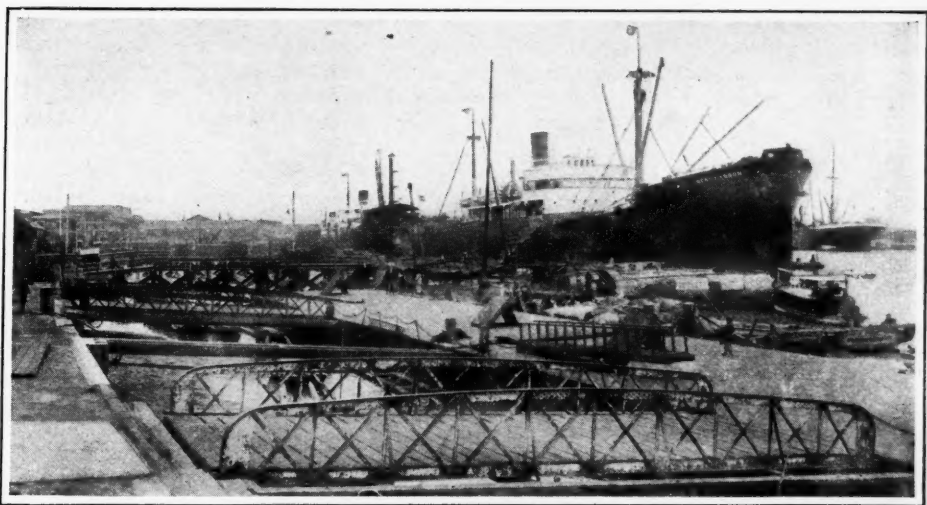
#### *Assets and Liabilities*

As the book figures stand the nation has \$638,000,000 of current shipping assets, and \$2,899,000,000 of capital assets to show for its \$3,213,000,000 of appropriations for the shipping venture. After setting aside reserves of \$736,000,000 for self-insurance, vessels sold, lost, etc., the accountants figure an "outcome" of \$513,000,000. Of course, this is a bookkeeping abstraction, and in any event would be cheap at the price if offset against the contribution of the government shipping enterprise toward the winning of the war and the value to the nation of the establishment of the foundations of a great merchant marine. The billions of loss that witnesses before investigating committees so glibly talk about are chiefly the difference between what the fleet cost and what could be realized on it to-day if it could be completely closed out. Nobody knows what that amount is, but whatever it is or may be it is the ocean transportation cost of the greatest of our wars, and is no more to be worried about than the seven billions spent in ordnance or the billion spent for aircraft. Beside this loss, the waste of inefficient gov-



THE "PRUSA" DISCHARGING A CARGO AT GOTHENBURG, SWEDEN

(The sixth vessel, of more than a hundred, built by the American International Shipbuilding Corporation)



THE PACIFIC MAIL STEAMSHIP "WEST KASSON," AT THE PONTOON DOCKS IN SHANGHAI, CHINA, ON HER PIONEER VOYAGE ESTABLISHING AN AROUND-THE-WORLD FREIGHT SERVICE

(The *West Kasson* is now on her second voyage. The first was begun in March of last year. The route is from San Francisco to Japan, China, the Philippines, Straits Settlements, India, Egypt, Italy, Tunis, France, Spain, New York, Baltimore, Cristobal, and back to San Francisco)

ernment operation and the leaks of graft and loot are mere fly-specks.

#### *Americans Turning to the Sea*

The Shipping Board has dealt vastly in men as well as in ships and treasure. At one time it was employing 330,000 men in and on the shipyards. The building force is fast dwindling as the last of the ships near completion, but the Division of Operations employs from 50,000 to 80,000 seamen and officers. The recruiting service has trained 33,000 seamen and 14,000 officers and has placed 160,000 men on American ships in a single year. All officers are, of course, American, and about 65 per cent. of the seamen. But the greenhorns who are taking to the sea are 90 per cent. Americans, which augurs well for the future.

There are signs that the country is becoming sea-absorbed and ship-minded. At times Iowa has sent more recruits to the merchant marine than New York. With the encouragement of the growth of other ports than New York the men of industry and commerce in the respective hinterlands have begun to think in terms of shipping. With the growing importance of exports in relation to national prosperity and well-being men who used to think only of railroads are forced to think of ships. W. Averill Harriman turns to the sea for love of it, and the fortune that was made by his father in rail-

roads now builds up fleet on fleet and takes the proud place once held by the Hamburg-American Line; and so far virtually all of the Harriman ships are privately owned and not Shipping Board ships. The backbone of the Harriman venture is the Hawaiian-American line, which, before the war, was one of the finest cargo fleets in the world. The Mayers, one-time traction railway organizers and dealers, of Philadelphia, attracted to the sea by commercial ventures during the war, established the France & Canada lines and the United States Mail Steamship Company, with Timothy E. Byrnes, lawyer, railroader and former Minnesota inlander as vice-president. Norman Lind, son of John Lind, of Minnesota, leaves lumbering for shipping, and establishes the Lind Navigation Co. of New York City. Fred B. Lynch, of the same State, turns from colonizing to shipping and now heads one of the most important and prosperous cargo fleets sailing out of New York, that of the Foreign Transport & Mercantile Corporation. Martin Gillen comes from Wisconsin to the Green Star Line via a Shipping Board office. General Frank T. Hines, Utah-born and army-trained, graduates from military hospital direction to the vice-presidency of the Baltic Steamship Company. Almost every interior State has a similar story to tell of sons who seek business adventure on the seas, as their fathers sought it in the wilderness.

# THE PRESENT ECONOMIC CRISIS

BY BYRON W. HOLT

THIS world has now entered, and is passing through, what is, or will be, its greatest industrial depression. Strangely, those countries with least prosperity and greatest suffering have no panic, while many of those with recent great prosperity and least suffering are now in a state of financial panic.

There is, perhaps, unparalleled poverty and starvation in Central and Eastern Europe, and in Asia this winter, where tens of millions are doomed to perish because of lack of food. There is, however, practically no financial panic or industrial crisis in any of the countries in this part of the world. These nations are suffering either from extreme business and commercial depression or from famine.

It is those countries like the United States, Japan, Spain, Cuba, Argentina, Brazil, Paraguay, and Canada that have, until recently, had great prosperity that are now in the throes of the worst and most general business crisis ever known. Some of these countries, with poor banking and currency systems, are now experiencing financial panics. This is true of Japan, Cuba, Spain, and of several Latin-American countries.

In the United States, Canada, and England the crisis is severe, but without panic, so far. These countries have good banking systems. They applied the brakes of high interest rates in time to start deflation before the inflated bubble burst and the credit structure collapsed.

Inflation continues in the leading countries of continental Europe, where the printing presses are busy increasing the supply of paper money, which is rapidly losing its purchasing power, but which is still good for debt-paying purposes. In none of these countries is gold redemption possible on the pre-war basis of monetary units. The most of them must soon go over the fiat money precipice when they will do business on a barter basis until their wise men can devise a new money and currency system that will have some stable ratio with gold.

What these countries need is not more money but more capital. This they could get if their credit was good. Their credit

would be good if their money were sound and stable and if their revenues were, in each case, equal to their expenditures. Unfortunately, eleven out of twelve countries of continental Europe are, as yet, unable to make both ends meet.

## *Why Prices Doubled*

Great causes produce great results. The world war was the greatest thing that ever happened. It devastated more territory and destroyed more life and property than was, perhaps, destroyed by all previous wars. It increased the world's debts by more than \$250,000,000,000. The present debts of Austria, Hungary, Germany, and France exceed \$1000 per capita and the annual debt charges of these countries varies from \$35 to \$67 per capita—figured in par of exchange. Such debts can be paid, if at all, only in depreciated money. Such payment amounts to partial, if not almost complete, repudiation. The only hope for these countries is to keep their paper money ships afloat until their internal debts are cancelled. Their foreign obligations can be paid only in gold.

During the war the rest of the world, outside of Europe, was called upon to supply war material in almost unbelievable amounts. The United States, Canada, and Japan worked with England and France in supplying ammunition to the Allied armies, and these countries, aided by South American countries, supplied food to their friends in Europe. As quantity was the major and price a minor consideration, the world worked, while the war lasted, as it never worked before. However, with about 30,000,000 men withdrawn from productive work, the supply of goods did not keep pace with the demand and prices rose rapidly. When the armistice was signed, prices in this country were about 108 per cent. above where they were when the war began.

After the armistice was signed, labor became less efficient and produced less while the world relaxed its restraint and spent freely for luxuries as well as necessities. As a result, and because of the world shortage of



food, clothing and fuel, prices continued to rise until February 1, 1920, when they were, according to Bradstreet's index number of wholesale prices, 138.8 per cent. above the pre-war level.

While we were at war and until 1919, the Federal Reserve authorities thought best to keep the rate of interest low while loans were being made to war industries and while the Liberty and Victory bonds were being floated. These low rates helped to increase the inflation in our credit system. Professor E. W. Kemmerer tells us that, from 1913 to 1919, the physical volume of business increased approximately 8 per cent.; the monetary circulation 68 per cent., and bank deposits 103 per cent. Meantime, the percentage of actual cash held against deposits declined from 11.7 per cent. in 1913 to 7.0 per cent in 1918. He is not surprised, therefore, that prices more than doubled in these six years.

During this period, and more especially near the end of it, speculation in stocks, commodities, farm lands and city buildings ran riot. We heard much of "booms" and "profiteers." Everybody was buying frantically. Manufacturers, wholesalers, retailers and consumers, believing that there was a world shortage of goods and not making a proper allowance for the decrease in Europe's effective demand, after we had ceased to extend credit liberally to her, all began to lay in extra supplies of goods. This foolish buying caused prices to rise more rapidly than ever in 1919 and in January, 1920.

#### *Why Prices Collapsed*

Becoming frightened at the rapidly rising prices and at the low and shrinking percentage of banking reserves, the Federal Reserve Bank in New York raised its discount rate, on November 3, 1919. It also began to refuse to loan funds for speculative purposes. These measures caused stocks to fall rapidly and, three months later, brought a halt to rising prices.

The fact that our Government stopped advancing money to Europe and that private individuals and corporations began to loan less freely, after having advanced nearly \$4,000,000,000 (making a total of almost \$14,000,000,000 owed to us) also caused the prices of both stocks and commodities to decline. Prices did not, however, decline much until June, 1920. From then on, the rate of decline (Bradstreet's index number) increased rapidly. It reached 7½ per cent. in

October and 13 per cent. in November. In December it declined but 7 per cent. and in January, 1921, but 2.3 per cent. The decline of the past twelve months has wiped out 70 per cent. of the advance of the previous six years.

#### *How Our Present Crisis Differs from Past Crises*

The present industrial crisis, already the greatest in our history, is unique in that it was not ushered in by a financial panic.

There is, perhaps, no parallel in history for the 25 per cent. decline in wholesale prices in the last three months of 1920 or for the 40.6 per cent. decline for the year ending February 1, 1921. Similarly, the slump in business, as indicated by closed mills, decreased railroad earnings, idle ships and unemployment, is greater than ever before.

All of our previous periods of drastic liquidation began with or were accompanied by financial panics; that is, by credit strained to the breaking point, by great money stringency and by the closing of a large proportion of our banks. The present period of most drastic liquidation has stretched but has not broken our credit system, has produced no currency famine and has closed the doors of but a comparatively few banks, all of which are small and unimportant.

At any earlier period of our history, such a sudden and unparalleled decline in commodity prices would have resulted in the greatest panic that we ever saw. We have to thank our excellent Federal Reserve system and its efficient officials that our financial ship still floats serenely on the roughest price sea ever sailed by any ship of any nation.

The Federal Reserve system ties our greatest banks together and makes of them a well disciplined army. A "run" on one bank would be a run on all banks. The unity of our banks inspires confidence. Their strongest point, however, and the one that does most to make us panic-proof, is their power to issue asset currency—limited only by the amount of good commercial paper presented for rediscount. In future, no solvent business concern need close its doors. Never again will there be a currency famine in this country, as there was in 1873, 1893, 1907 and in 1914.

The panics of 1873, 1893 and 1907 were almost entirely due to our inelastic and inadequate currency. Had our Federal Reserve system existed in 1873, there would have been no panic and, perhaps, not much

of a crisis. There would, however, because of overbuilding of railroads and of inflation and speculation, have been a prolonged depression. Credit was exhausted then as it was in 1920. The deflation could have been orderly then, also, had there been a plentiful supply of currency.

The panic of 1893 was due largely to the fear that the gold standard would not be maintained and that we would drop to a silver basis. Here again, a currency famine accentuated the danger and forced the closing of most banks. Clearing-House certificates were resorted to in 1893 and again in 1907. The importation of \$100,000,000 of gold in 1907 also helped to relieve the panic.

It is ridiculous that any civilized nation should have a financial panic because of an inadequate supply of currency—the poker chips of business. Industrial upsets are, perhaps, unavoidable. They result from industrial derangement and maladjustment. They result from short crops and from bumper crops. They result from overbuilding or underbuilding. They result from human nature and psychology, which causes men to speculate and which produces inflation and deflation. It is unnecessary, however, that crises should degenerate into financial panics. We should feel ashamed that we had panics in 1873, 1893 and 1907.

#### *What of Business Revival?*

The tremendous shrinkage in commodity and security values in the last year cannot but lead to reduced bank loans, as soon as present loans are liquidated. They are being liquidated slowly. Our farmers will not carry over to another season any considerable part of last year's grain, cotton, tobacco, rice, hay, or potatoes. Our present stores of manufactured products will not last much longer. If there are exceptions they are likely to be automobiles, ships, wool, rubber, and copper.

Apparently, the tide has already turned as to silk, leather, and cotton goods. It is not expected to turn as to steel, oil, coal, and copper until March or April.

Prices have fallen unevenly. Farm products, food and clothing led the way and have had most drastic declines. Naturally, the prices of these products should begin to revive while the prices of steel, coal and building materials continue to fall. Wages, also, must be adjusted to lower levels before business revival can be permanent. This country cannot compete freely in the world's markets until all costs are reduced to the world's level.

Our export trade is handicapped by adverse rates of exchange. This can be overcome only by unusually low production costs and by the free exchange of goods with other nations. Tariff duties only increase the handicap. They may protect and benefit some particular industry but cannot but harm industry as a whole. This is especially true when applied to a creditor nation. Possibly some of our wool growers and sugar producers would benefit by high duties. It is reasonably certain, however, that 90 per cent. of our farmers will lose more than they will gain by tariff duties. Duties on wheat and cotton are largely dummy duties because the prices of these products are fixed abroad. The tariff is not the friend of the farmer.

Billions of dollars of construction work on houses, railroads, and highways awaits favorable conditions. States and counties have authorized \$900,000,000 of highway bonds. These will be sold as soon as the bond market is half favorable. Construction work will begin on an extensive scale as soon as materials, supplies, wages and money rates are reasonable. Bankers tell us that they will not loan money freely on buildings until construction costs are down to 130 or 140 per cent. of pre-war costs. They are now around 200 per cent. of such costs.

How soon business will revive will depend largely upon how soon prices, wages, interest rates, and rents are adjusted to the new level on which industry can proceed. Some industries may be adjusted now. Others will be soon. Many, however, may not be adjusted for many months. Congress cannot legislate us back to prosperity though it can, by erecting artificial barriers to trade, postpone, or even prevent, the return of good times. Farmers cannot, by withholding their products and by passing resolutions, raise the prices of their products. Manufacturers of motor cars cannot obtain permanent prosperity by any kind of an advertising or selling campaign. There are likely to be many false starts before real prosperity returns.

Stock-marketwise, we are, perhaps, emerging from the woods. Money rates are likely to work lower for years. If so, the prices of good securities, both bonds and stocks, cannot but advance. The extent of their advance will be measured by the extent of the decline in money rates and by the extent of their decline in the last four years—with a proper allowance for income tax effects and probable income-tax changes.

# WHAT MANNER OF MAN IS OBREGON?

BY AGNES C. LAUT

ONE year ago I described Obregon—now the elected president of the Mexican Republic—as the dark horse of that country's clouded political horizon. A year ago, even down to the end of last May—within a few weeks of Carranza's death with the connivance of, if not at the hands of, his own generals—it was the custom to cry down Obregon as off the map and to cry up Carranza as the savior of his war-torn, blood-drenched nation.

Flamboyant interviews were daily fed out to the press, declaring Mexico "peaceful, prosperous, and in perfect order." Anyone wanting to know how a country could be "peaceful, prosperous, and in perfect order," where there were five different revolutionary leaders in activity, not to mention more bandits than could be counted, was called "a liar, an ignoramus, or both" misled by "the foreign interests who were fomenting bad relations with Mexico." I am quoting the exact words of letters appearing in the New York press last May.

Yet anyone, who knew facts about Mexico, knew Carranza was being sucked into the vortex of a volcano. He had worked up "La Doctrina Carranza"—or gringo hate—to make himself popular with the jingo element in his own country. But he could not rehabilitate his country without the financial aid of the very gringos whom he insulted; and when his country continued to lie in ruins and disorder, a prey to every

bandit, his people withdrew their support from him and rallied to the different revolutionary standards. Carranza fell into the volcanic lake of hate which he had himself created.

To-day the fashion is to cry Carranza down. We are being told that Obregon is a combination of Napoleon Bonaparte, Washington, and Wellington. Of course,

we are not supposed to suspect that all this grinding of a new propaganda mill has anything to do with creating pressure of public opinion to force the recognition of Obregon by the United States and Great Britain. It is supposed to be a spontaneous outburst heralding a new savior for Mexico. Poor Mexico! She has had such a lot of saviors in the last eleven fateful years!

The truth is that Americans are nauseated to-day of doped propaganda of every kind. They want self-demonstrated facts. If Obregon can demonstrate these facts,

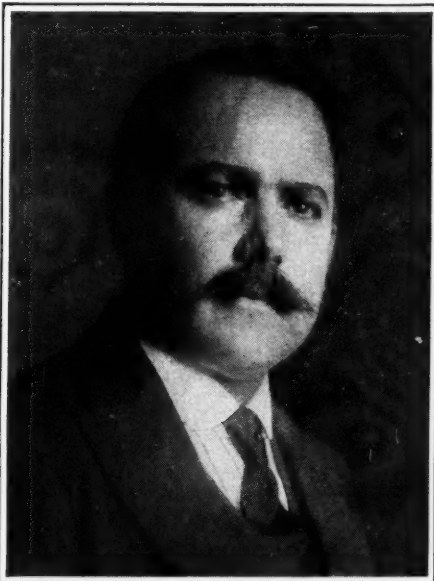
he will not need to ask for recognition. It will be handed to him on a golden platter, with Uncle Sam and John Bull and Canada as cup-bearers.

## *The Problems Confronting Obregon*

The civilized world wants to know just two or three things about Obregon—

Can he pacify Mexico and keep it pacified?

Can he and will he indemnify foreigners—little interests as well as big, the homely farm hand of Oklahoma as well as the



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GENERAL ALVARO OBREGON, PRESIDENT OF MEXICO

banker of Paris, or rail magnate of London, or oil man of New York—for the terrible loss of life and loss of property during eleven years of revolution?

Can he and will he protect foreign life and capital now being urged to go in and help to rehabilitate Mexico?

Can he and will he be able to displace the civilized world's appalling and universal distrust of Mexico's integrity in international relations?

And finally, not by force of arms, or fanfare of bands and elaborately staged fiestas for effect, can he by education, sanitation, industry, gradually raise Mexico to the level of other nations on this continent?

If Obregon can do these things, he will never need to spend a dime on a propaganda mill. He will need neither artist nor sculptor to celebrate his memory. He will go down to history as Mexico's greatest and wisest leader.

It is now up to Obregon. It is not a question whether the Allied Governments will recognize him as an honestly elected president of Mexico. It is: Can Obregon by the self-demonstration of these facts, not compel, but *impel*, recognition of his government by all the nations of the world?

With his picturesque private life and spectacular past career, recognition has nothing to do, though neither help him in the least now; for we are always apt to judge what a man will do, not by what he promises, but by what he has done.

#### *First a Farmer, Then a Soldier*

Obregon began life in Northern Mexico as a considerable farmer, not in the old hacienda class, but a prosperous, husky, moderately successful farmer. He had been a colonel in the home guards. He had won the trust of the Yaquis by strict honesty in his dealing with them. He never promised what he could not deliver, and he never failed to deliver what he had promised.

Contrast this with Madero's Socialistic Utopias guided by ouija boards and table rappings! Madero was going to divide all land among the peons; so he dispossessed the old hacienda owners, with murder and outrage on a scale to compare only to the French Revolution. But when he had driven the old hacienda owners off, the peons—drunk on loot and pulque—either would not stay on the land, or could not farm it to yield a living. Bitter with resentment at Madero's unfulfilled promises, they

turned from him with tigerish fury, and all his cardboard hopes fell—and he dead, murdered, under them.

Obregon never promised a division of other men's property. Under stress of war he has seized property, but he never promised by shaking a magic wand to make cactus grow cotton. He did not believe in giving a man property. He believed in making the man earn it. So of his own lands he set aside an acre or more to a family. To the peon he would advance a plow, a horse, or mule, and a sack of beans for seed. A sack of garbanzo beans will reproduce 280 sacks, worth \$14 to \$18 a sack in war years. Obregon handled the marketing of the beans and took a fourth of the net profits for use of land and equipment. Small tenant farmers prospered under his system. So did Obregon. The system made him a rich man. It was honest, though it was absolute paternalism.

#### *He Becomes a General*

Thus Obregon had no trouble in rallying followers to his standard when he joined the revolution. He developed a fearless type of leadership. He was not a parlor general of intrigue like Gonzales, nor a wild ravening beast like Villa, nor an assassin in the name of liberty like Zapata. He was the honest, bluff, brutal, successful soldier; and he was the only general who could ever defeat Villa, which explains why that worthy took to paths of peace as soon as Obregon's star was in the ascendant. But Obregon was jockeyed out of the reward of every victory by Carranza's intrigues. Had he just won a battle and was marching to Mexico City? Orders from the First Chief came to detain him on the road while Pablo Gonzales, or Carranza himself, slipped into the capital and received the wild acclaims of an ebullient people. By the time Obregon would come along the ardor would have chilled; but when there was any real fighting to be done, however, they never held Obregon up. He was allowed to win his victories; but somebody was always permitted to snatch the laurels.

It may have been these tactics, repeated in the small and in the large, which gave a certain untellable brutality to Obregon's campaigns at this time. His threats against Americans, I am sure, he would erase if he could. Germany seemed to be winning the European war, and Obregon was violently pro-German. He was just as violently



against "the Colossus of the North" who "had gobbled up Texas and Arizona and New Mexico and California," which Zimmermann was going to restore so blithely to Mexico.

Obregon, more conversant with the camp than with history, evidently did not know that Florida had been sold to the United States by Spanish diplomats, that Louisiana was transferred by France as an aftermath of the Napoleonic Wars, that both Texas and California had declared their independence of Mexico before they came into the American Union, and that if "the Colossus of the North" had wanted "to gobble up Mexico," she would have eaten the precious morsel in 1846-8 when the Mexican capital was in American hands.

Obregon seemed to think at this stage that every American in Mexico, big or little, simple farmer or hacienda owner, was a menace that would some day vote Mexico into the American Union.

Finally, the Carranza policy of petty intrigue drove Obregon from politics to private life, back to his farm and his garbanzo beans. Obregon owes Carranza thanks for that, for it clears the new President of the worst odium of all the revolutionary years, when foreigners were killed in times described as "peaceful and prosperous," more than six hundred Americans in six years.

Carranza ran his course and broke his own neck. No foreign interests needed to raise a hand to help Carranza's enemies. All they needed was to sit back and let Carranza run his pace to its tragic and inevitable and obstinate end. Obregon was the logical successor; he was the strongest man in a day of terrible peril for the end of Mexico's sovereignty. Another ten years of such loot of foreigners and Mexicans, and some foreign power would have been invoked.

Obregon took the helm. Army and votes sustained him, and Mexico gave a gasp of relief.

#### *How Obregon's Anti-Americanism Was Changed*

To go back a little in the story. When Carranza drove Obregon to private life the General visited the United States. He visited the army cantonments preparing soldiers for Europe. He saw Americans as they were—not a "Colossus of the North" wanting to "gobble Mexico up," but the majority of them not caring a hoot for Mexicans one way or the other, provided

they let up on border raids and quit murdering foreigners.

He saw, perhaps, that whereas 50,000 Americans had been harried and driven out in ruin from Mexico, the United States had sheltered and prospered 100,000 expatriate Mexicans. He must have seen the contrast between the north and south side of an invisible boundary. On one side of the Rio Grande were cotton fields like a garden, farmhouses like play places of the seaside, schools everywhere, no nakedness, no poverty, no hunger. If you have been south of the Rio Grande you know what he saw there: three-fourths of his countrymen in the richest country in the world always close to the dead-line of hunger.

Obregon must have asked himself some terribly honest and searching questions; for he went home no longer "anti-gringo" but pro-American. I believe his conversion was sincere and not merely the result of expediency. One may be "expedient" in public, but not in private affairs; and Obregon now placed his money in American banks, his affairs in the hands of American managers, and began the cult of American friendship.

The Mexican mind reaches its objective by such curious by-paths one cannot tell whether this American friendship on Obregon's part would please or displease Carranza, who was working up "gringo-hate" in Mexico and currying financial favor in the United States; but it drove a wedge between the two leaders and automatically forced Obregon to the head of the middle-of-the-road Mexican people, who realized his country could be saved only by the financial and moral support of the United States.

#### *"Reds" and Radicals in Mexico*

Obregon had made some bitter enemies and dangerous friends in his climb to power. I am inclined to think his friends more dangerous than his enemies. If he cleaned the slate for a new era, his enemies would doubtless forget the past; but the most dangerous friends are those who refuse to give you a free hand. In fighting Carranza's intrigues, Obregon had to ally himself with certain radicals. These "Reds" were responsible for most of the hideous crimes against the Church and property-holders; and they drove the Church and a large section of the property-holders into covert if not open hostility to Obregon. The only reason these opponents of Obregon accepted him was because nothing could be worse

than the régime of the Carranza generals.

But without the support of the Church and the property-owners, and without the support of the "Reds," it is a question if Obregon could hold himself in power. How he is to harmonize these antagonistic forces behind him is the real danger to his outlasting a brief tenure of power.

*Can Obregon Win Foreign Support?*

Obregon can win foreign recognition and support only by meeting the demands outlined at first:

To pacify Mexico and keep it pacified;

To indemnify loss of foreign life and property;

To protect foreign life and capital now being urged to rehabilitate Mexico;

To displace the civilized world's distrust of Mexico by a new faith in her integrity;

To heal Mexico's terrible social and economic woes by developing a new type of Mexican life, and not by whitewashing present ills by propaganda.

All but the Red Bolshevik element are weary of disorders in Mexico, and I think even the Reds and Cientificos will lie down in peace together in the same bed for a while. If not, they will lie down together in one grave; for another ten years of loot and ravage would finish Mexico for a century.

So we may set down the fact that Obregon is pacifying Mexico and can keep it pacified for a time.

Under Diaz the annual revenue had reached 103,000,000 pesos (\$51,500,000). Under Obregon for the year 1920-21, the revenue is 236,000,000 pesos. Though the country is supposed to be at peace, 131,000,000 pesos are assigned to the army for this year. Some of that money may be needed for the methods by which bandit and revolutionary leaders are being sent back to civilian life. A hacienda worth a million dollars was seized by Obregon and given to Villa with 300,000 pesos to quiet him; and not a round of ammunition, a rifle, or a pistol was taken from Villa and his followers. They could rise again to-morrow if they wanted to. The same course has been followed with the other revolutionary leaders.

Will Obregon indemnify foreign losses? He undoubtedly will, whether he wants to or not; for if he doesn't, he can not get outside assistance to rehabilitate Mexico.

It is on the third requirement comes the rub: *Can he, not will he, protect foreign*

*life and capital now being urged to go in and rehabilitate Mexico?* All Mexico shouts as one voice and one man—"Yes."

*Petroleum: The Famous Article XXVII*

"But wait," say the foreign banks, that had \$54,000,000 in metal "nationalized"; say the railroads, that were taken over under stress of war and rendered into a junk heap; say the Canadian and British and American oil men, who have put \$300,000,000 into Mexican oil equipment (or, counting tankers and terminals, \$750,000,000). "When we go in and put in more capital will you by a change of the Constitution, by a whim of some session of the legislature, by an edict of some new president, nationalize, or confiscate, or seize, or denounce what we have invested? How about Article XXVII? You have promised it would not be retroactive, but in effect, in taxes, in denouncements, in interpretation, it is retroactive and confiscatory."

Not such a unanimous answer from Mexico now! Everything is promised in general, but nothing guaranteed in this special Article XXVII "nationalizing petroleum."

In 1917, after Carranza's assumption of authority, a new Constitution had been adopted in Mexico, Article XXVII of which provides that: "In the nation is vested the *domonio directo* of petroleum," etc. Asked to interpret officially the meaning of the words printed here in italics, the Mexican Government declared that owners of the surface of the land no longer owned the petroleum in or under the land, because such ownership is now vested in the nation.

Thus the petroleum question is: Shall foreigners, who acquired petroleum properties in the manner provided by statute, submit to confiscation of those properties by subsequent constitutional or statutory provision?

Undoubtedly the middle-of-the-road man would counsel giving the foreign investor his guarantee that Article XXVII is not retroactive, and thus get Mexico back on her feet financially at once; but not so the Red. Up to the present he has held a settlement of the controversy in mid-air for over two years; and without financial assistance from abroad, Mexico cannot replace distrust with faith in her integrity. Nor can she cure her social and economic evils.

The very forces that created Obregon may yet destroy him.

# NATIONAL WASTE THROUGH ILL HEALTH

WHY NOT A WAR AGAINST PREVENTABLE DISEASE?

BY HENRY W. LANIER

**T**HE Secretary of the Treasury has notified the hundred million "stockholders" of the U. S. A: that they must raise four billion dollars annually, for some years, to carry on the business. The amount this means in individual tax payments is quite sufficient to convince every responsible American that he has a direct and lively interest in public finances.

Our Government may be "run like a business" some day. Let us hope so. But in reducing these burdensome expenses obviously we cannot count on the factor which is the main hope of a business man: selling more goods. We may get better value for what we spend. The one big chance for economy, however, is to cut off wastes.

Knowledge of what these wastes are, and of how to stop them, is a vast asset—if we use it.

There are three basic matters in the handling of which we squander each year a total amount large enough to pay this whole four billions. They are: Health; Mechanical Power; Distribution of Goods.

Surely it is time to study, and try to cut off such colossal extravagances. The present article will deal especially with the question of waste through ill health.

Our largest remediable waste is that of preventable ill health. The hygienists know perfectly well how to end the majority of the illness, bodily inefficiency, and premature deaths which cause an actual loss of millions of dollars a day (not to mention the other terrific costs). That is an incalculable asset—if we use the knowledge.

I propose to show that:

(a) The true national wealth is *national health and working power*. It is actually worth in dollars, and produces income on, far more than all the other items put together—the money, stocks, bonds, real estate, railroads, factories, mines, ships, prod-

uce and other possessions which are officially figured as our "National Wealth" and probably to-day approximate 250 billions. (The Department of Commerce figured 228 billions in 1916.)

(b) Of the huge income produced by this primary capital we waste needlessly at least two billion dollars a year, besides other than financial wastes which are beyond price. And there are indications that we are impairing our capital.

(c) In spite of everything we are doing, there are numberless chances to save these wastes; and the return on such investments is often several thousand per cent, per annum.

Every mature worker who reads this (and at least three-fourths of our people of working age are workers) knows instinctively that his (or her) true capital is an item that would not appear in his financial statement at all. Yet the banks which hold to the original idea of commercial banking do recognize it: they really lend money on the man running the business, instead of on collateral. In the prime of life a man's basic capital is his ability to do efficiently something that society needs or wants to have done.

It's easy to test this. Let any ordinarily successful active man ask himself whether he would prefer to lose his possessions or his working power. It would not take long for most to answer.

## THE MONEY VALUE OF A HUMAN BEING

And this inner conviction, which men are apt not to formulate or even to recognize clearly, is amply confirmed by impartial statisticians. They have figured the economic value of a human being at different ages. Most of these estimates are modifications of the conclusions reached by William Farr, an Englishman whose work, "Vital Statistics," was drawn from records of Great Britain, Scotland, and the East India Company, thirty-five years ago. He took as a basis of

human value the capitalized earning power at various ages. Thus, a baby at birth was worth \$25—this representing the discounted value of its future earnings during its probable life, less the discounted cost of maintaining it through dependence and supporting it through helpless old age. At thirty years this rose to about \$1400. At eighty it was a minus figure, since the average man of that age had no future of production, yet must be supported.

But the mere statement that Farr figured on \$700 a year as the yearly earnings of an agricultural laborer shows the need of adjustment for an American average in 1921. Sixteen years ago Carroll D. Wright suggested \$1000 a year as a safe minimum for this country, his estimate including women. The latest figures put it at over \$1500, which is probably still very conservative.

Assuming, then, that this represents the average earnings of our more than thirty million workers, "from day laborers to railroad presidents," by correcting Farr's table we get the average worth of a mature American worker as \$8000.

We have to-day nearly 50,000,000 Americans between the ages of 18 and 44, which means certainly from 35,000,000 to 40,000,000 adult workers. That is to say, this group alone is worth to the nation some 300 billion dollars. And the remaining 70-odd millions of us, allowing for the group of aged who represent a liability, figure up another 200 billions.

The latest Government estimate of our National Wealth—real estate, livestock, farm implements and machinery, gold and silver coin and bullion, machines and tools, railroads and street railways, telegraphs and telephones, ships and canals, irrigation enterprises and waterworks, electric light and power stations, agricultural products, manufacturing products, wiring products, clothing, furniture, and personalty—was 228 billion dollars.

So we ourselves are still worth, in dollars, over twice as much as we own. This capital of working power produces for us certainly a minimum of 50 billion dollars a year.

#### SQUANDERING FOUR BILLIONS YEARLY THROUGH ILL HEALTH

Now let us see how we are treating this stupendous treasure.

If it were a herd of pure-bred Jersey cows producing a few thousand dollars in butter each year, we know with what care

any individual would oversee the food and living conditions and health of each animal.

In point of fact, all the accumulating evidence goes to show that: (1) *We are permitting nearly a million Americans to die each year prematurely.* (2) *We have perhaps two million people needlessly sick all the time.*

That is to say, we are squandering each year in deaths a capitalized net earnings of well over two billions; and another two billions in actual costs, and loss of current earnings, because of preventable sickness.

#### ESTIMATING LOSS FROM SICKNESS AND DEATH

Lest these figures seem incredible, let me indicate the method of estimating. Twelve years ago Professor Irving Fisher, in his remarkable "Report on National Vitality," took Farr's estimate of \$700 a year as a "safe minimum average" of American earnings. He deducted one-fourth to allow for persons of working age who are not workers, but are supported for the most part by earnings of capital—giving a net average of \$525. I have raised this to conform to facts here to-day.

Careful study has established that for each death there are a little more than two years of illness; or, to put it differently, there are twice as many people constantly sick as die in each year.

It is a humiliating fact that twenty-three out of our forty-eight States do not furnish us with a registration of deaths; so we do not know the exact rate in the United States. But for the registration area (about two-thirds of the population) it was in 1917, 14.2 to the thousand. Experts believe 18 to the thousand is correct for the whole country.

That gives 2,000,000 annual deaths, and, by the formula above, 4,000,000 constantly sick. Of these 1,300,000 would be in the working period of life.

Professor Fisher concluded from his investigations that at the very least half of this was preventable, though it is only fair to say that there are differences of opinion here. Dr. Lee K. Frankel, for instance, who has an extraordinary knowledge from the life-insurance angle, would cut this to 35 per cent. The Life Extension Institute, as a result of its examination of 100,000 workers, would raise it to 60 per cent. or higher.

Further, Dr. Biggs figured years ago that the actual cost of medical attendance, medicine, nursing, etc., for the consumptive



poor of New York was at least \$1.50 for each day of illness. Unquestionably this average cost to-day for all classes and all kinds of sickness, would be more than double this; but calling it only \$2, we have a yearly outlay of a billion of real money.

In the same way, it is clear that a million among these million-and-a-third of needlessly sick are actual workers and must lose their earnings—as we have seen, more than \$1500 each. There is the second billion of loss, with an excess of conservation.

Anybody who prefers can cut these estimates in half, if that will satisfy his mind any better. There still remains a formidable total of a couple of thousand millions a year, worse than thrown away by a nation complaining loudly of “crushing taxes.”

#### WHAT THE GOVERNMENT IS DOING

A glance at health activities in the United States might well lead to the conclusion that we were doing a wonderful amount. So we are—unless one looks at what could and should be done. Of course, we are far indeed from handling the problem as earnestly and efficiently as we do in the case of valuable cattle or machines.

It is impossible to read the “Public Health Reports” without being impressed by the value of federal health work—and the enormous possibilities for its extension. It is almost entirely a growth of the last forty years. To-day the Public Health and Marine Hospital Service is becoming an essential coördinating influence in health work.

The Service is our main guardian against the entrance of epidemics from other countries. It assisted New Orleans to wipe out yellow fever and San Francisco to combat the bubonic plague. It cares for 50,000 merchant seamen each year, runs hospitals and relief stations, conducts an admirable hygienic laboratory, and is becoming a clearing-house for spreading abroad information on matters of public health. The war furnished an example of its possibilities.

We registered over 24,000,000 men and examined physically over 3,000,000. Nearly a million of these were rejected as unfit for full service, a small group being classed as sufficiently “remediable” to be worked with in spite of the terrific pressure, about 10 per cent. finally going into a “limited service” class, and half a million pronounced as completely disqualified. Every expert knew that the majority of these physical defects were remediable, but the job on hand was far too

large and too vital to consider tackling that problem except to the very limited extent indicated, when the results were most striking.

Through the initiative of the Life Extension Institute, the Health Service had the draft boards distribute among our citizen army two million pamphlets, pointing out that the causes for rejection were probably removable, explaining how to go about it, and urging each individual to make the effort, both from patriotism and personal interest. This suggests vast possibilities of what could be done if federal effort were concentrated and strengthened.

#### A NATIONAL DEPARTMENT OF HEALTH?

Just consider this situation:

The Public Health Service is directed by the Treasury Department.

The Department of Labor has charge of immigration—and the importance of this on our health problem goes far beyond the obvious matters of excluding immigrants with contagious diseases. To take a single point, the 1910 census shows some arresting facts regarding the comparative mortality among native-born Americans of native parentage, and those foreign born or of foreign or mixed parentage: At ages 10 to 14 the rates are the same; yet at 35 to 44, and for all subsequent ages, the foreign stock shows a rate of 10 or more in the thousand higher. This means that we are weakening our national vitality by admitting physically inferior immigrants.

The Agricultural Department has a host of health activities among our farmers, and administers the food and drug law—which intimately affects the health and life of all.

The Census Bureau, with its Division of Vital Statistics—the cornerstone and foundation of most public health work—is part of the Department of Commerce.

The Army has its Surgeon-General, and another is in charge of the Medical and Surgical Bureau of the Navy.

The Interior, Labor, and Agricultural Departments have each a separate organization working for child hygiene.

Is it any wonder that earnest workers in the field have long been urging the creation of a National Department of Health, to consolidate, or at least coördinate, all this scattered effort?

#### WORK BY THE STATES AND CITIES

We can certainly report progress, if we look back half a century, in the awakening of States and municipalities to their local

health problems. Every State and every large city now has its department or board devoted to such matters: pure water and pure milk and pure food supply, factory conditions, women and child labor, hours of work, the smoke and other nuisances, sewage and garbage disposal, street cleaning, inspection of abattoirs, control of contagious diseases, public baths, bacteriological laboratories and the furnishing of reliable vaccines, serums and antitoxins, free dispensaries and hospitals—all the thousand and one things we have learned by bitter experience must be done to safeguard crowded communities.

We have the laws in most cases. We need a public sentiment which will demand the highest type of trained health officer. It ought to be considered a disgrace, to be wiped out speedily, that Pittsburgh has a death rate 75 per cent. higher than Detroit, the whole United States a third higher than Denmark. There could hardly be a more basic test of community civilization than this very one: *how many citizens die needlessly each year?*

#### THE VOLUNTARY SOCIETIES

That there is a growing realization in this country of the need for health conservation and improvement is quite apparent from the host of voluntary organizations formed of late years to combat special diseases or conditions. While there is need for all the enthusiasm and interest and specific effort that can be aroused, the situation here cries aloud for team-work.

A committee of the American Public Health Association has recently gathered the fullest list in existence, still far from complete, of organizations doing health work as a principal activity. Their report shows more than a score of national organizations (three of which have already 106 local branches), and 316 State societies, some of them sections of other organizations. Some of these societies are inactive, but in the main they represent actual expenditures of money and energy—a large portion of which must inevitably be wasted through lack of co-ordination.

The Y. M. C. A. has probably done more for health than any other agency, mainly through leading people to healthful exercise. To name but one conspicuous example among the societies devoted to special work, the Child Health Organization, judged by its intelligence of effort and accomplishment, ought to be demanding a hundred million a year to spend, instead of a hundred thousand.

Yet again, in this field alone, the Child Hygiene Association lists sixty-nine national organizations each with its individual program for carrying on some phase of the work.

If all these enthusiastic fighters of disease could but be brought to fight as an army instead of a mob, it is difficult to exaggerate what might be accomplished.

#### A WAR AGAINST DISEASE

Just imagine for a moment what would happen if the American people went to war on preventable disease with the same marshalling of complete national resources that we resolved on, and would have accomplished, in the war against the Central Powers. It is really more than a fair parallel. The importance is all on the side of this imaginary conflict; for this enemy is wantonly destroying some hundred thousands of our citizens and some billions of our money each year.

Doubtless the Supreme Council guiding such a war effort would adopt a number of the following measures:

*Create a National Department of Health*, centralizing and coördinating federal health work. Also a vast extension along the lines of research, and of making the known facts of health and hygiene so familiar to the mass of our people that their living and working habits must gradually conform to them. Doubtless, too, so Irving Fisher suggests, an early step would be to make a model of the District of Columbia. Washington now has the fourth *highest* death rate of our twenty-three largest cities.

*Provide for Complete Vital Statistics.* As the chief of this division, Dr. Wilbur, puts it: "A nation that does not consider it necessary, or is not able, to provide adequate means for registering the births of its own children, or for officially recording the deaths of its citizens, can hardly be supposed to attach sufficient value to human life to enable sanitary measures for its conservation to be adequately carried out." As well try to conduct a modern war without a department of Military Intelligence!

*Raise the Standard of State and City Health Boards.* This means paying higher salaries, demanding trained enthusiasts, giving them adequate funds, backing them up by public coöperation, and a civic pride demanding results. Then we might shortly

develop the "Biological Engineer" whom Professor Fisher has visualized, the trained scientist giving each individual the facts as to conditions under which he may reach his highest efficiency. These expert sanitary engineers, with the coöperation of voluntary societies, would initiate definite campaigns against the most active enemies: tuberculosis, which slays some 200,000 Americans each year and tortures perhaps half a million more—a preventable disease; the remnant of typhoid which still kills about 20,000, and averages seventy-five days' incapacity for each death; and so on throughout the list.

*Coördinate the Voluntary Societies.* If we were really aroused to the thing, would not all these hundreds of organizations soon be working in unison as coördinated parts of a great Health League?

*Mobilize the Life Insurance Companies.* The Metropolitan Life has amply shown that it pays to save the lives of policy-holders. It figures that with proper allowance for improvement in mortality, it made a profit of about a million and a half by preventing some thousands of deaths during the eight years in which it has conducted "welfare" work among policy-holders. Why not start every company along this profitable path?

*Establish Health Examinations.* All authorities agree that much the largest advance for the future must come from improvements in *personal* hygiene. Much as could be done in public work, the vast and almost untouched field is that of individual living habits. The first step is to learn the facts, to consider the human machine at least as important as the machine in the factory, to inspect it, to work out the best formula for its long life and efficiency. Dr. E. L. Fisk figures that examination alone, at a cost of \$2.50 per person, would save four lives and three cases of chronic illness per 1000—at a net profit in money of over \$32,000.

The Life Extension Institute has blazed the way here, and its findings constantly confirm the utmost claims of prime importance for periodic examinations. The State of North Carolina is fortunate enough to have one of the most energetic and forward-look-

ing health officers in this country—Dr. W. S. Rankin. He is furnishing such examinations, and writes: "My county health officers last year did three thousand health examinations, and next year we shall reach five or six thousand."

*Provide Health Insurance,* such as that recommended by the special Committee on Health of the New York Federation of Labor. Their report points out the vast cost of preventable illness; the fact that while the apparent chief burden falls on the workers, the losses to the employer are almost as great; shows the inadequacy of existing "fraternal" and other methods; and unqualifiedly recommends compulsory insurance (expense divided equally between employer and worker) as a necessity in itself and as a most powerful stimulant to "the needed campaign for the prevention of illness."

*Encourage Health Education and Physical Education.* In the last analysis, everything depends on educating the public mind in health and hygiene, until healthy living becomes instinctive; then in training bodies as well as minds. Much is being done through the schools; eight States have since 1915 passed physical education laws, and six others have given the matter serious study. A great deal more must be done through and to the schools: every teacher must be educated to consider it just as much a part of the job to turn out physically efficient scholars as mentally instructed ones. No college should give a degree to a student who has not "passed" in physical development.

As for the mass of our adult population—that is indeed a knotty problem. But under the conditions supposed at the outset, the path would be clear enough. It could be done. Sooner or later it must be done.

Dr. Louis Welzmler, a highly efficient and practical physical director at a great New York Y. M. C. A., declares that the World War "saved more hours of life than it destroyed"—through education and health improvement of those who came through whole.

In the light of what we all recall, that is something to ponder over—and to act upon.

# THE FIGHT FOR PROHIBITION IN GREAT BRITAIN

THE INFLUENCE OF AMERICAN EXAMPLE

BY P. W. WILSON

(New York correspondent of the *London Daily News*)

FOR more than a year the Eighteenth Amendment has been in force, and yet it is doubtful whether even to-day the people of the United States realize what the challenge is that they have issued to the world. A British writer has compared this event to the eruption of Krakatoa, which in 1883 stirred the most distant oceans and filled the atmosphere of the entire planet with materials for remarkable sunsets.

When I was in England, two years ago, Prohibition was regarded as a joke, many people ignorantly believing that the Amendment was an unreality of American politics, which could only come into effect after a plebiscite, and that in any event the law would be nullified by evasion. About £12,000,000 of British money had been invested in American breweries, and, until the last moment, few conceived it possible that assets, so carefully safeguarded in the United Kingdom, would be swept away as a nuisance, without compensation. On this matter the Foreign Office in London entered a formal but, of course, an unavailing protest.

Nor is the sensation confined to Britain. The citizenship of the United States represents every European and African race. And in Asia, also, American missions exert influence. The whole world is watching, therefore, a sumptuary law which accepts the famous judgment of Mohammed against strong drink and is curiously in line with the severe Puritanism attributed to authoritative Bolshevism in Russia. Broadly, the United States has shown that a country, even of continental area, cannot be half dry and half wet. And this may prove to be true of the entire human race. On the one hand, as long as whiskey, valued in Quebec at \$14 a gallon, can be sold across the frontier for \$60, the inducements to smuggle are overwhelming. On the other hand, civiliza-

tion cannot witness unmoved the establishment by one of its members of a new standard of happiness and efficiency reflected in health, morals, insurance, production, amusements and the habits especially of the young and rising generation. It is thus of vital importance to mankind to know whether Prohibition, especially in the United States, is to fail or to succeed as a permanent social fact. And if it succeeds, it must spread.

## *The New Battleground*

At the moment, the battleground is Great Britain. "Pussyfoot" Johnson suggests that by the year 1930 Britain will be dry, and it is a prophecy not more extravagant than the slogan, "America dry by 1920!" The brewers are certainly much alarmed. What the Eighteenth Amendment only accomplished after ratification by thirty-six States and legal decisions by the Supreme Court, Parliament can, if the majority so determines, apply to the United Kingdom by a single statute which the House of Lords can resist for only two years. If Prohibition can be administered in a country, thousands of miles from ocean to ocean, with an official machinery still developing its traditions, it can certainly be administered in Britain, where the people live directly under the eye of the executive, are of one race and language, and governed by a Civil Service which has been under training for centuries. What makes the struggle so stern in Britain is the fact that the law, once passed, will be undoubtedly enforced.

At present, the wets seem to have it all their own way. Including as they do the governing classes, most leading Liberals as well as nearly all Conservatives, they resent American evangelization and say to one another that in the United States you can get all the liquor you want if you know where to look for it and have money to pay for it,



and that Prohibition is thus merely a restriction imposed by the rich on the poor, to make them work better. For years, even responsible opinion in England has been gravely misled by reports of conditions, say in Maine, made by visitors who have been entertained in houses where is a cellar, or by experts like Messrs. Rowntree and Sherwell, who have been committed in advance to public ownership of the liquor traffic. I had myself accepted as gospel these reports of the American situation and was astounded, on arriving here, to discover how comparatively dry was New York, then still reckoned legally as wet.

#### *Consolation from America for Both Sides*

To-day the British people are getting hold of the truth. The most powerful evidence comes not from temperance officials but from great employers like Lord Leverhulme, the soap magnate, or from bankers like Sir James Hope Simpson, whose corporation, with head offices at Liverpool, has branches throughout northern England. Not less impressive is the good-humored testimony of Sir John Foster Fraser, a popular lecturer throughout the United States, not an abstainer except under Prohibition, a Conservative in politics with all that this means of alliance with liquor interests, who returns home, frankly converted. Even Sir Harry Lauder, the Scottish comedian, declares gaily that Prohibition is "a glorious success."

To this evidence from the new world, Britain as a whole answers with a defiant, but somewhat perturbed "don't care." There is great joy when Professor Stephen Leacock of Canada distils satire over American sobriety. Horatio Bottomley, in his weekly print, *John Bull*, with its two million circulation, ridicules Pussyfooters. Prohibitionist meetings are broken up. Thoughtless students bash in Mr. Johnson's eye. Placards appear on the hoardings, distinctly uncomplimentary to Uncle Sam's tastes. Brother Bung sneers at "our dear cousins who want to do us good." Dean Inge of St. Paul's Cathedral threatens to be even gloomier without a glass. "'God Save the King' and 'Beer for the British People'" cries one Anglican vicar, the Rev. B. G. Bourchier, cousin of the actor, and a favorite preacher at court. Even Lady Astor, herself an abstainer, sorrowfully declares that the British are not ready as yet to go bone dry; and as for the *Wine and Spirit Gazette*, it can only deplore "the revolting iniquity

of the manner in which the American Prohibitionist works to secure his ends!"

#### *The Labor and Scottish Votes*

That Britain has still to be convinced is shown by two important votes, first of the organized trade unions and secondly of Scotland. In June, the Labor Party held its conference at Scarborough and on a straight resolution, the figures were:

Against prohibition .....	2,603,000
For prohibition .....	472,000
Adverse majority .....	2,131,000

Later, this verdict was confirmed at the Trade Union Congress, in Portsmouth. On the other hand, it is important to note that both conferences approved of local option, which, of course, is the recognized method of leading up to Prohibition, and as such strongly opposed by the brewers. Labor is thus hostile but ready to accept a popular decision, if obtained.

The second trial of strength was in Scotland, the country of Robert Burns and "usquebagh." As long ago as 1913, Parliament had passed an act enabling localities in Scotland to vote on liquor every three years, beginning 1920. The preliminary interval of seven years, now expired, was a concession to the liquor interests. American Presbyterians will be interested to learn that, in 1919, when a committee of the Church of Scotland reported "dry," the General Assembly negatived the verdict, and that last year a decision to advise members to vote no-license was only carried by the narrow majority of 111 to 97.

This being the attitude of the Established Presbyterian Church, it is no wonder that at the recent poll in Scotland the wets won what they claim to be a decisive victory. The voting was:

No change .....	526,188
No license .....	347,247
Limitation .....	16,004

Taking areas, No Change applied to 304, No License to 24 and Limitation to 25. The contest closed 300 public houses or saloons. It must be remembered, of course, that in Scotland, as in England and Wales, there are already many districts from which the saloon is excluded, either by accidental circumstances, public opinion, or the ground landlord.

The contest has also this value—it shows that in Scotland, mere limitation of facilities for drink arouses no enthusiasm on either

side. It is a straight fight between those who want all and those who want none. There is no party, either for compromise or for state ownership and management. The battle is joined precisely on the lines which reform followed in the United States.

### *Results of Regulation*

I pass now to England and Wales. Here also, it may be assumed that the campaign for state-management in some form has been finally defeated. Even the Labor Party at Scarborough, with its strong Socialist sympathies, voted against nationalization of the liquor traffic. That policy was denounced by none other than Philip Snowden. During the war a Liquor Control Board had been set up on which Mr. Snowden had served. He had closely watched, therefore, experimental state-purchase in the city and district of Carlisle—selected for the trial—had seen with misgivings the immense profits accruing to the state under this local monopoly and the steady continuance of arrests for drunkenness. Although starting as a nationalizer, Mr. Snowden, who has a sincere mind, is to-day a witness for Prohibition.

Mr. Lloyd George, as a Welsh nonconformist, is himself a Prohibitionist by conviction. In the autumn of 1918, however, he decided to fight a General Election. War-time restrictions on liquor were still in force and the Prime Minister was asked the crucial question whether, if again returned to power, he would secure the former freedom to distribute liquor and also to hold horse races. He surrendered, gave a general pledge to withdraw restrictions upon the habits of the people, won the support of the trade and of allied interests, and swept the country. Since then, he has been debarred by the character of his coalition from assisting in the solution of this grave problem. A licensing bill, promised for 1920 and said to be actually drafted, has not been produced. Even a temporary measure, brought forward a month or two ago, was killed. And Wales has asked in vain hitherto for a local veto bill, similar to the Scottish act. Worse still has been the grant of full freedom again to brew beer and to distil spirits, with results that I will, in a moment, briefly summarize. The position is, then, that in Britain, as in the United States, the liquor trade will have no half measures—will make no concessions. Slowly but surely the average man is driven to choose—as Lord Rosebery expressed it

long ago—between the state controlling drink and drink controlling the state.

I will now give a few figures, showing the actual position in which Great Britain finds herself. In 1904, there were 100,000 "on-licenses" in England and Wales and 25,000 "off-licenses." That was the year when Mr. Balfour passed an act enabling publicans or owners of saloons to contribute to a common insurance fund and so buy out "redundant houses."

This act, after sixteen years, has reduced the number of saloons to 83,000 for sale "on" the premises and 22,000 for sale "off." In other words, we have—in sixteen years—got rid of 20,000 saloons. But this only means that the largest and most attractive saloons have survived, with added trade and profits, and the model or improved public-house has become quite fashionable, with one deplorable result, namely, the destruction of whatever reluctance women felt at entering a public bar. Drinking among women and the drunkenness that inevitably follows have increased of late, while another disquieting feature has been the increase in the number of licensed clubs, most of them for workingmen, from 6371 to 8950. With an enormous membership and finances dependent on beer, these clubs are a powerful factor at elections. Many of them have been actually mortgaged to breweries.

Saloons are only open on a week-day from 12 noon to 2.30 p. m. and in the evening from 6 to 10.30 p. m. And with weaker beer costing double and treble the old price, convictions for drunkenness fell as follows:

Year	Men	Women	Total
1914.....	146,517	37,311	183,828
1918.....	21,853	7,222	29,075

Such cases thus declined to one-sixth. Then came the armistice and the "let-up" on brewing with this immediate result—convictions jumped from 29,075 to 57,948—this in one year. One cannot doubt that the returns for 1920, when available, will be worse. One of the most regrettable acts of the government was to cancel the anti-treating order, just when the country was full of returned soldiers.

### *Britain's Drink Bill*

Every year the bill which the United Kingdom pays for drink is calculated by my brother, Mr. George B. Wilson, the secretary of the United Kingdom Alliance—an organization which corresponds, more or less, to the Anti-Saloon League in this country.

The statistics are based upon official data, and are accepted without question by all parties. At \$5 to the sovereign sterling, which is the usual popular reckoning, they show that British and Irish spent on "booze" the following colossal sums:

Year	Drink bill in dollars
1913 .....	830,000,000
1914 .....	822,500,000
1915 .....	910,000,000
1916 .....	1,020,000,000
1917 .....	1,295,000,000
1918 .....	1,296,500,000
1919 .....	1,913,000,000
1920 (estimated) .....	2,000,000,000

In seven years, the cost of alcoholic liquors has thus risen from under one billion dollars to over two billions. For every household of five persons, it works out at about \$4.50 a week. Wage scales are, of course, much lower in the United Kingdom than in the United States and the above \$4.50 represents, say, \$9 of what would be earned here. This, then, is the economic menace that we are up against.

We spend two billion dollars on drink and only one quarter of that sum on education. The comparison with food follows:

Milk .....	\$625,000,000
Sugar .....	250,000,000
Tea .....	225,000,000
Flour .....	475,000,000
Beef and mutton .....	975,000,000
Bacon .....	500,000,000
Butter .....	250,000,000
Margarine .....	175,000,000
Liquor .....	2,000,000,000

We thus spend on drink twice what we spend on meat, four times what we spend on flour; three times, on milk; four times, on bacon; eight times, on sugar; and so on. In 1918, the consumption of milk in Britain was under twelve gallons per head, or less than half the normal average consumption in New York and—says an official document—in many industrial centers there are known to be whole streets where no fresh milk is taken.

In view of these facts, I cannot agree that Prohibition contributes to industrial discontent. On the contrary, it seems clear that the rising cost of liquor keeps the wage-earners on or below the poverty line for necessities. The drink bill varies directly with employment and wage-scales—rising and falling accurately with fluctuations in the money brought home at the end of each week. It is the first charge upon prosperity.

The remarkable fact is that while the

drink bill has thus risen, the actual amount of alcohol consumed has fallen. In 1913, before the war, we drank 92,000,000 gallons of such "absolute alcohol"—which means that this was the alcohol contained in wine, beer and spirits, variously diluted. For this—as I have shown—we paid \$830,000,000. But in 1918, we only consumed 37,000,000 gallons, and even in 1919 the amount was only 60,000,000 gallons. Yet, for this smaller consumption, we paid not \$830,000,000, but nearly \$2,000,000,000. It thus follows that for two-thirds the amount of alcohol in our drinks, we are charged by "the trade" more than double the price. The beer and spirits are much weaker and much more expensive.

To some extent, this sounds satisfactory, but it is in actual fact one of the most ominous of all the circumstances of the case. By dilution of drink, the trade has been making colossal profits. Doubtless these have been somewhat reduced by additional taxation and especially by the excess profits tax, but a sufficient margin remains to enhance greatly the value of brewing and saloon properties and therefore of the shares in liquor companies which are now widely distributed among hundreds of thousands of investors. Ten years ago, it was reckoned that from \$2,000,000,000 to \$3,000,000,000 would buy out the trade—breweries, distilleries, saloons and everything. A much higher figure would be now demanded—say \$5,000,000,000. Such a vested interest exerts an enormous influence over Parliament, the press and even the Established Church.

Grave as must be the struggle, then, before this drink evil in Britain—not a little responsible, by the way, for some excesses on the part of the Black and Tans—is swept into a mere memory, the example of the United States must be an increasingly powerful factor, making for a courageous decision. Our business men are thoroughly alive to the realities of American competition, and life insurance, like medicine and hygiene, is international. It is, I think, probable that commissions of enquiry from many countries will examine the situation here, and report upon it to other governments and peoples. The verdicts will be variously colored by personal and national prejudices, but no verdict is true which fails to state the solid benefits which a great act of social renunciation has brought to the American people.

# CANADA AND PROHIBITION

BY SIR PATRICK THOMAS McGRATH

(Member of the Legislative Council of Newfoundland)

THE recent action of British Columbia in rejecting "prohibition" for "government control," following upon that of Quebec a year previously in abandoning prohibition for "light wines and beers," has provided an area on the Pacific and one on the Atlantic seaboard of the Dominion of Canada which may continue to prove meccas to the thirsty for many years to come.

Although Canada has been unable to achieve what the United States did in two mighty strides—by war-time prohibition and by constitutional amendment—in placing the country under the operation of a bone-dry prohibition enactment, the writer is convinced, after crossing Canada from the Atlantic to the Pacific and back again, stopping at all the principal cities and towns and seeing every aspect of the life of the country, that "The Great Dominion" is entitled to be regarded as one of the soberest countries in the world even though it supplies anomalies in its temperance legislation which warrant not a little criticism.

The present liquor law situation in Canada is a puzzle to Americans, who cannot understand the complexities of the governmental regulations under which this prohibition policy is worked out. Naturally, it is somewhat difficult for those whose own constitutional practise is so clearly defined that when three-fourths of the States vote for any purposed change it becomes binding on the whole, to realize that in Canada such alteration can only become effective by the Imperial Parliament at London passing an amendment to "the British North America Act," which is Canada's constitution, and that such amendments will not be adopted lightly if any province of Canada shows decided hostility thereto.

While the position has never been positively determined, it is recognized that Quebec blocks the way in such matters, because its French population view things differently from their English-speaking neighbors and accordingly federal cabinets are chary of raising issues which Quebec might claim were limiting her powers of interstate com-

merce. Hence, while the Federal Parliament is willing to provide legislative machinery to enable the Provinces to enjoy drastic prohibition, it has hesitated to enact measures to make the whole nation bone-dry; and this causes the anomalies which outsiders find so remarkable in Canada's prohibition policy.

## *Federal and Provincial Machinery*

In order to understand the position clearly it is important to remember that there are effective in the Dominion to-day:

(a) A Federal measure of limited prohibition, originally known as the Scott Act and developed into the "Canadian Temperance Act," which permits the smallest communities by their vote to forbid the sale of liquor therein, but does not empower them to prevent the bringing in of liquor for domestic consumption;

(b) A Provincial prohibition law in every Province, except Quebec (which allows the sale of beer and light wines) and (very shortly now) in British Columbia, which, as a result of its recent vote, must now enact a measure for government control; and

(c) A Federal prohibition law which enables the Provinces to do what they cannot do under their own prohibition enactments, namely, prohibit the bringing in of liquor from other Provinces or from outside countries, if they do not want this traffic continued.

The growth of temperance sentiment in Canada, if it has been slow, has been steady and sure, and there was a notable advance up to the time of the war. Then after casualties began, soldiers came to be demobilized, and liquor added to their miseries, the Federal Government passed an Order-in-Council effective for the term of the war which made for drastic prohibition. When, eventually, all war-time regulations were abolished as from December 31, 1919, Parliament, in response to vigorous demands by temperance reformers, enacted, in November of that year, a new measure providing that every Province having provincial prohibition



could, on the request of its Legislature, have a referendum taken on one of these two propositions:

(a) That the manufacture of intoxicating liquor and

(b) That the importation and bringing in of intoxicating liquor into such Province be forbidden; and undertaking that if a majority so declared, the manufacture or the importation should cease upon a date to be decided by the Federal Cabinet, within two months after any Province had so voted.

#### *How One Province Differs from Another*

So far no Province has asked that manufacture be stopped, because there are large vested interests in breweries in various Provinces and in distilleries in Ontario, which, curiously enough, though strongly prohibition, has the only such industrial concerns in Canada. But, under the terms of clause "b" of this referendum enactment, Nova Scotia, Manitoba, Saskatchewan and Alberta voted on October 25 last, and all four declared in favor of non-importation, while Ontario will vote on the issue next April. Five days previously, British Columbia had voted, not under this referendum, but under a local one, for "Government Control" as against "Provincial prohibition," and in July New Brunswick had voted, under a local enactment, for Provincial prohibition as against light wines and beers. It will simplify matters somewhat if the temperance status of the different Provinces is briefly described:

Prince Edward Island—has Provincial prohibition, drastic in its details, but has not yet applied for a referendum under the Federal Act, and so cannot stop the importation of liquor.

Nova Scotia—has Provincial prohibition, and, having declared for non-importation by the referendum described, will soon be able to stop the bringing-in of liquor, also.

New Brunswick—has Provincial prohibition, but has not applied for a referendum and consequently cannot prevent importation.

Quebec—has virtually Provincial prohibition, although the sale of light wines and beers is allowed, but has not sought a referendum, and, of course, can import for domestic needs.

Ontario—has Provincial prohibition, and can import at present, but will hold a referendum in April, and is almost certain to vote for abolition of import facilities.

Manitoba—has Provincial prohibition, and will be able to prohibit importation very shortly as a result of its referendum vote.

Saskatchewan—same as Manitoba.

Alberta—same as Manitoba.

British Columbia—rejected Provincial prohibition on October 20, for "government control and sale of liquors in sealed packages."

It is specially important to remember that every Province in Canada has within the past few years voted for an "abolish-the-bar" policy and that any return to old-time conditions in that respect is unthinkable. It is equally important to remember that every Province works out the details of its own local prohibition laws. Thus British Columbia limited the quantity of liquor obtainable on medical prescriptions to eight ounces, while Ontario permits a quart. New Brunswick and Ontario leave the handling of such liquor as is required for medicinal, sacramental or industrial purposes, in the hands of licensed government vendors, while the Western Provinces distribute it through the agency of sub-departments of the Provincial administrations. Again Saskatchewan, by its Provincial prohibition law, restricts the quantity of liquor a physician may keep on his premises to one quart, in addition to another quart which he may carry in his bag while practising; while in Quebec City, which is under the "Canada Temperance Act," a Federal measure, the average value of liquor sold on one certificate from a medical man is \$26.89, whereas in other parts of the Province, under the operation of the local statute, it was only \$2.25.

#### *Liquor Trade with the U. S.*

Of course the weak point of the present law is the clause permitting importation of liquor into "dry" Provinces for domestic consumption. This enables grave abuses—so grave, indeed, that it would be difficult to believe Canada was a prohibition country if the liquor was all consumed within its borders. But, as a matter of fact, everybody concedes that a tremendous quantity of this liquor is illicitly transferred to the United States. All along the border, from Atlantic to Pacific, this traffic persists.

From the New Brunswick, Quebec and Ontario counties touching the American border there is an unceasing traffic, and the same is true in the West. American automobile parties are vastly more numerous in Canadian cities than ever before. The tourist

traffic is likewise greater. More American conventions were held in Montreal last year than in any year previously. All the cities are increasing their hotel accommodations because of the influx of American visitors, Montreal alone building a new ten-million-dollar hostelry, though it would be unjust to ascribe all of this movement as a catering to the thirsty traveler.

The chief center of this traffic, however, as between Canada and the United States, appears to be across the St. Clair River between the Windsor Peninsula of Ontario and the section of Michigan which directly fronts it. Extraordinary stories have been told respecting the magnitude of the traffic and the manner in which it is carried out. It is generally agreed that liquor in enormous quantities is smuggled across by means of row-boats, motor-boats and other conveyances, and there is talk of its being done by airplane. A Detroit newspaper, commenting on this great border rum-running situation, claimed in August last that 100 boats of various kinds were engaged in running across the river and that at least one thousand cases of Canadian liquor were taken across every night. It also alleged that a year's operations resulted in a profit of one hundred million dollars to the "boot-leggers" involved in the business and that for every resident of the Canadian border cities here 95 gallons of liquor were handled above the normal individual consumption in old times.

Ontario newspapers state that the Province gets 150,000 quart bottles of liquors daily from Montreal, half being whiskey and other spirituous compounds from the British Isles, and the remainder being intoxicants of Canadian manufacture.

While other parts of Canada have not the same geographical and other facilities for "rapid transit," there seems no doubt that similar conditions prevail elsewhere and that an immense business is being done between the countries in this respect. It is officially admitted that the Province of Ontario made one million dollars of profit in 1919 out of the sales of liquor by government vendors, although the theory of the act is that liquor is only to be dispensed for medicinal, sacramental and commercial purposes. Government vending stores in British Columbia showed a profit of \$775,000 for last year,

but after the quantity permissible on a medical prescription was reduced to eight ounces the sales dropped to one-tenth of those previously made by the vendors, though the import of liquor was understood to be as great as ever; and less than 2 per cent. of the business done in the licensed vending stores in Quebec Province is on doctors' prescriptions, and the *London Times*, of August 6th, quoted an estimate that "the monthly orders placed in Montreal for liquor for other Provinces of Canada averaged \$12,000,000."

#### *Continuing Pressure of Public Opinion*

The remedy for this state of things will, of course, be, so far as the Provinces which have adopted the Federal referendum are concerned, that they will have no liquor entering them except what will come to government agencies and be dispensed under government authority for the permitted purposes; and that with rigid restrictions in this regard, such as Saskatchewan is enforcing, it will be next to impossible for "boot-leggers" to obtain supplies or to run them into American territory. There will, however, still remain the gaps caused by Quebec and, to a minor extent, New Brunswick in the East, and British Columbia in the West, maintaining a less effective policy, though in the latter two Provinces, where the limitations upon the distributions are greater than in Quebec, the extent of the traffic should be minimized accordingly. Temperance advocates believe that the pressure of public opinion, especially of the women voters, will before long compel New Brunswick and British Columbia to swing into line with the sister Provinces and prohibit the importation of liquor—although it is claimed that in British Columbia, in October, the women's vote went largely against prohibition. It had not been expected that Quebec would, in the near future, abandon the position she had taken in regard to this liquor question, but would remain, as now, the one oasis in a continent otherwise arid north of Mexico. Yet very recently a movement has gained headway which would forbid the export of liquor to other Provinces.

Despite these few spots on the sun, the fact remains that the Canadian people, as already stated, are notable examples of sobriety and right living.

# LEADING ARTICLES OF THE MONTH

## THE BUDGET SYSTEM AND THE PERSONAL FACTOR

A PERTINENT warning to Congress and the incoming Administration may be read between the lines of an article contributed to the *Saturday Evening Post* (Philadelphia) by Grosvenor B. Clarkson, former chairman of the Interdepartmental Defense Board and former Director of the Council of National Defense. Mr. Clarkson makes it clear that even the most perfect budget system will fail in application if its administrators are lacking in common sense and in knowledge of economic facts.

Before leaving office as Director of the United States Council of National Defense, Mr. Clarkson, with a view to carrying out a scientific and economical peace-time program of industrial preparedness against another war, made certain definite proposals to Congressional appropriation committees. All the six Cabinet officers forming the Council, notably the Secretary of War and a number of great industrial leaders and organizations, indorsed Mr. Clarkson's proposals as a cheap national insurance policy. In making these suggestions Mr. Clarkson pointed out that a thorough knowledge of industrial production lies at the root of national defense, and that such knowledge must be kept up to date.

When Mr. Clarkson resigned, one year ago, there were about seventeen different bureaus of the Government gathering figures on industrial production, and there were ten or twelve major industries on which no figures were available at all. The figures which were collected were expressed in varying terms. Mr. Clarkson was impressed with the fact that nowhere under the Government was any concentrated study or correlation being made of these figures so that the result might be made available not only for national defense purposes but for the peace-time uses of industrial life. Moreover, the War Industries Board found it necessary during war time to translate industrial-production figures from



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MR. GROSVENOR B. CLARKSON

terms of the dollar into terms of commodities. Apparently this has not been done by the Government, at least as an established policy. On this point Mr. Clarkson remarks:

It would seem to be almost unbelievable that such a condition could exist under any form of government assuming to call itself efficient. For a few hundred thousand dollars a year all these tremendously vital figures could be tied together in one spot, to the almost unbounded benefit of business as well as to that of industrial preparedness. Figures now static, often actually misleading, and as a coherent whole useless, could be rendered dynamic and profitable to the Government, industry, and the public at large.

Of course, without proper interpretation and correlation, statistics of any kind must

prove of little value. Especially is this true of industrial-production figures. The fact is that no complete, accurate picture of the country's industrial production now exists. The reason, as Mr. Clarkson points out, is that we have been running our statistical bureaus as a group of "isolated fragments." No great modern corporation could succeed on such a plan of operation.

A budget system will undoubtedly tend to do away with some of these evils. It is Mr. Clarkson's opinion, however, that no budget system will achieve what is hoped for unless the entire standard of personnel in legislative and administrative life is raised—and by standard he means not merely good Americanism and good morality, but fitness for the given task. "Members of Congress must think in terms of cold, economic facts and not, beyond a certain human extent, in terms of constituencies in the background and of sentimentality."

Furthermore, administrative heads and experts must receive salaries reasonably approxi-

mating those current in the business world. An intelligent and liberal policy in this matter would in itself be a great economy under the Government. With efficient men at the top of the administrative personnel there would be a decrease in the number of low-salaried workers at the bottom. This was shown during the war when civilians were brought in from business life to direct various emergency war organizations. The sums of money saved to the Government by the Council of National Defense and the War Industries Board were almost incalculable, while the expenses of the two boards together were less than \$1,500,000.

Recognizing the fact that the services of the dollar-a-year man cannot be had in time of peace, Mr. Clarkson points out that the only alternative for the Government is to pay salaries that will procure men who can in some reasonable measure achieve such results as those brought about by the War Industries Board. Any business man would admit the efficiency of such a proposal.

## THE AGE OF OIL AND GASOLINE

"THE Fuel Problem" is the subject of a comprehensive article by the chemical engineer, Arthur D. Little, in the *Atlantic Monthly* for February. Naturally a considerable part of his discussion is devoted to petroleum and gasoline. In his view the internal-combustion engine has brought us to the verge of another industrial revolution, which may yet prove to be as far-reaching in its effects as the one which derived so much of its impetus from coal.

It has been shown that four ships burning oil will do the work of five propelled by coal, and Lord Fisher said that fuel oil had increased the strength of the British Navy thirty-three per cent. Yet it has other and greater potential values, and, with a limitation of supply, the general use of oil as fuel cannot be encouraged. In the Diesel engine the capacity of oil for doing work is multiplied by three, and one ton of oil is equivalent in effective power to four tons of coal.

For the United States the petroleum problem has been made vital by the rapid rise of the automobile:

More than 90 per cent. of all the automobiles in the world are in the United States. It is estimated that their number in 1921 will reach 10,000,000, without including motor trucks or trac-

tors. We consume to-day about 120,000,000 barrels of gasoline and 7,200,000 barrels of motor oil a year, and are called upon to contemplate a requirement of 250,000,000 barrels of gasoline, by the automobile industry alone, within fifteen years. There is small justification for the hope that we can get it. There is no general substitute in sight that promises to be available in adequate amount, although both alcohol and benzol function admirably as motor fuel. The Geological Survey estimates that the oil resources of the country are more than 40 per cent. exhausted. In 1870 we mined 5,000,000 barrels. In 1919 our production was 378,000,000. The 60 per cent. reserves represent what is left, in spite of our utmost endeavors to get it out. It totals something like six and a half billion barrels, on which we may hope to draw at our present rate of consumption for about sixteen years. That is a short time in which to develop a substitute for 250,000,000 barrels of gasoline, even if the possibility and means of such development were in sight. Requa foresees a demand for 900,000,000 barrels of petroleum in the year 1930; and it is not at all surprising to be told that he regards it as a quantity which the oil territory of the United States is probably incapable of supplying.

With our domestic yield representing two-thirds of the entire petroleum output, and with a consumption within the United States of one-half of all petroleum values produced, it is not surprising that nations, corporations, and individuals are engaged in a desperate search for petroleum, which extends to the remotest corners of the earth. It is indeed the Day of Petroleum, but no one knows the time o' day.



## THE RUSSIAN DEADLOCK

THAT enterprising periodical, the *Grinnell Review* (Grinnell College, Iowa) has an important contribution in its February number from the Russian writer, Dr. Gregory Zilboorg, on the subject of the Russian tragedy. Unlike the majority of writers on present-day Russia, Dr. Zilboorg draws attention to the Russian people as such, as distinguished from the small groups of leaders who represent the nation before the world. Dr. Zilboorg complains that Russia is identified either with the leaders of the Bolshevik Black Right, like the reactionary Kolchak, or Wrangel, or with the leaders of the Bolshevik Red Left, like Lenine, Trotzky, or Kameneff. Dr. Zilboorg protests that such identification is wrong when made in peace time, and much more so when made in time of war and revolution. The Russian peasant has his own interests, wholly apart from those of his self-styled leaders.

Dr. Zilboorg points out some of the fateful consequences of external interference in Russia:

Soon after the revolution broke out, the great European powers began to interfere with Russian affairs, first secretly and afterwards openly. This interference undermined Kerensky. This interference, combined with the economic wreckage which was inherited from Czardom, brought about Bolshevism. Kerensky honestly wanted to fight Imperial Germany, but in order to make this fight effective he had to bring about an unassailable national unity. This was possible only in emphasizing the idea of self-defense, denouncing any acquisitive ideas. He thus renounced all the spoils of conquest which were promised to the Czar by secret treaties. Kerensky was undermined because Europe did not favor his anti-imperialistic and idealistic international philosophy and practise. His democracy did not fall in with the prevalent idea at that time in Europe that the best thing for Russia was a military dictatorship. A few attempts to establish such a dictatorship (the Kornilov rebellion in August, 1917) failed, but Kerensky was weakened, and a dictatorship came. It was not the dictatorship of a man on horseback, but that of Lenine, Trotzky, and others. Since that time many other attempts have been made to interfere with Russia. Kolchak and Denikine were supported and equipped by England; the recently defeated Baron Wrangel was armed and recognized by France. That they were defeated is not a surprise. It does not prove that Bolshevism is very strong in Russia. It simply proves that the new-born, purely patriotic national spirit of Russia was victorious over reaction and foreign intervention. And this, not because of the Soviets, but rather despite the Soviets. The result of three years of warfare and civil slaughter is that Russia is terribly weakened, the population starving and dying of typhus, cholera, and plague. The harvest last year was exceedingly poor, and when

this article will appear more than thirty million peasants in central Russia will be under the spell of famine.

The strength of Bolshevism is not in its own vigor, but in the general physical weakness of Russia. When a man has nothing to eat, when he is clad in rags, when he is miserable and cold, he is too preoccupied with his poor, suffering body. He may know that he has a bad government, he may desire to see it overthrown, but he has no moral strength to rise and fight and bring about the revolution he so much desires. The Russian people are suffering horribly, both morally and physically, but the physical exhaustion prevents them from making their moral protest effective. Besides, the ghost of foreign aggression is always present, paralyzing even the weakest attempt to protest against the internal dictatorship. Had Russia been left alone from the very start, the physical ruin of Russia would not be so complete and the Bolshevik political system, whose strength is in the popular weakness, would naturally break down under popular pressure.

I am not discussing now the Bolshevik social ideals and economic program. I, for one, do not object to any program of social reconstruction, no matter how conservative or how radical, if the method to carry it out spares human blood and individual liberty. What I find more important and more objectionable in Bolshevism is its method—the idea and practise of dictatorship, the ruthless control or, rather, the cruel abolition of individual freedom, the destruction of the very idea of freedom of expression, the systematic use of force as the immutable basis of political community. It is this Bolshevism which must be dealt with. And it seems to me that humanity is so tired of restricted liberty brought about by war, humanity is so starved for simple, human, every-day freedom, that Bolshevism, if only for its method, is bound to decrease and disappear as soon as the opportunity is given to see its true face. Political suppression is the last thing which will attract the modern man if he has not lost his moral substance. Political suppression inevitably carries with it terror in one or another form. Therefore even now, when Russia is so exhausted and when foreign intervention rallies the nationalist and patriotic forces under the Soviets, even now the average number of executions in Russia varies from 600 to 1500 a month. The total number of arrested since the Bolshevik revolution amounts to 145,000 people.

The tragedy of Russia is that in closing Russia to intercourse with the rest of the world, Bolshevism suffered least of all, whereas the people suffered most.

When I said the real Russian peril, I meant not Bolshevism, but the increasing number of diseases and epidemics in Russia. If help is not given at once we shall inevitably see the whole of Russia a center of physical infection menacing the rest of Europe and perhaps the whole world.

I do not hide from myself the tremendous practical difficulties of the problem, but I do not think them insolvable. The Soviet government has now reached the point when it cannot help calling for relief work and desiring trade with the world. The wind of disease is blowing harder and the wave of death is growing higher. And there are

no medicaments, not even soap. Without help, and immediate help, the Bolsheviks will perhaps go under, but Russia as a political and cultural unity will go under too.

If we take into consideration the fact that Russia has a population of about 180 million people, composed of some thirty or forty nationalities, we shall understand that Russia, though ruined, cannot disappear entirely. She simply will disintegrate physically, and Bolshevism, which is a transitory and abnormal state, is not the worst that may happen; if Russia must succumb to the blockade in order to drown the Bolsheviks under her wreckage, then the city will rise against the village for bread, the village will rise against the city for clothes; one national region will rise

against the other, a tribe against a tribe and a clan against a clan. Palpable signs of such disintegration are easily found already in present-day Russia. It would be difficult to dwell upon them extensively in the limited space of a magazine article, but it is more than clear that Russia will be reduced to brutalization which will affect the world more than we are able to visualize because the world needs Russian resources more than ever before as a result of the devastation of war.

If, on the other hand, trade relations were resumed with Russia and relief work established, Bolshevism would inevitably collapse under the pressure of the recuperated national forces, because the terrible experience of the last years was too instructive to tolerate longer than necessary.

## LORD ROBERT CECIL'S FUTURE

ONE of the outstanding personalities in the first meeting of the Assembly of the League of Nations at Geneva was that of Lord Robert Cecil. In the opinion of some observers this young British statesman really dominated the Geneva sessions from first to last. In a tribute to what it terms his "sane

idealism" that great liberal organ of England, the *Manchester Guardian*, is reminded of the early career of Mr. Gladstone, whom Macaulay characterized in a famous passage as "The rising hope of the stern and unbending Tories." Says the *Guardian*:



LORD ROBERT CECIL

There is no more interesting figure in our politics to-day than that of Lord Robert Cecil, and

the interest is twofold; it arises partly from the character and quality of the man himself, partly from the uncertainty of his development. Born and bred a Conservative, and resolved to remain in essentials a Conservative, as he understands Conservatism, he yet is drawn by forces which he cannot resist, because they appeal to the moral center of his being, to side on many questions, on most important questions indeed as they present themselves to-day, with his party opponents. It is an inward war not unlike that which raged in the mind and heart of the young Gladstone, and which ended by making of that brilliant and promising champion of Conservatism by far the most powerful Liberal leader of the century. We forbear to press the analogy too far, and are content

to leave the ultimate political destiny of Lord Robert Cecil unplumbed. It is impossible, none the less, not to look with hope and interest to the immediate developments of a career begun with so much distinction and so much independence.

For some time past, both by word and deed, Lord Robert Cecil has made it plain that he intends to take his own line on the great issues of the day, without any careful regard to that taken by his party leaders, and it is nearly a year since he expressed himself with much frankness on the whole subject of government by coalition. His view of such a government was that it is sound when it exists in order to carry out some great national object on which the various elements who are parties to it agreed, and to which all other objects were subordinate, but that it is particularly liable to a kind of disease, the "disease of opportunism," when maneuver takes the place of principle and the dominant object becomes the retention of power. After this it was pretty plain where Lord Robert stood, and speculation became rife as to when he would cross the floor of the House.

It may, of course, be said that it does not much matter what Lord Robert Cecil says or does; that he has no following to speak of in the House; that he is an eccentric in politics; that he is incapable of forming or leading a party; all of which might perhaps have been said with equal truth of Gladstone at a certain stage of his career. But, quite apart from that shining example, we would suggest that it is a mistake to undervalue the particular qualities which Lord Robert Cecil possesses or the influence which they are capable of exercising. Geneva may bear witness. It is not too much to say that, at the enormously important and critical first meeting of the Assembly of the League of Nations, it was Lord Robert's sane idealism which saved the whole event from failure, and that it was his personality which from first to last dominated the Assembly. That shows what can be done by the combination of good sense, a large grasp of affairs, and inflexible purpose for a great and just end which Lord Robert displayed on that occasion. And the same qualities will beyond doubt tell in other fields as opportunity offers. Nothing can be more foolish than to underrate the power of a single vigorous personality directed with perfect disinterestedness to just ends.

# GAÑDHI, THE GREAT LEADER OF INDIA

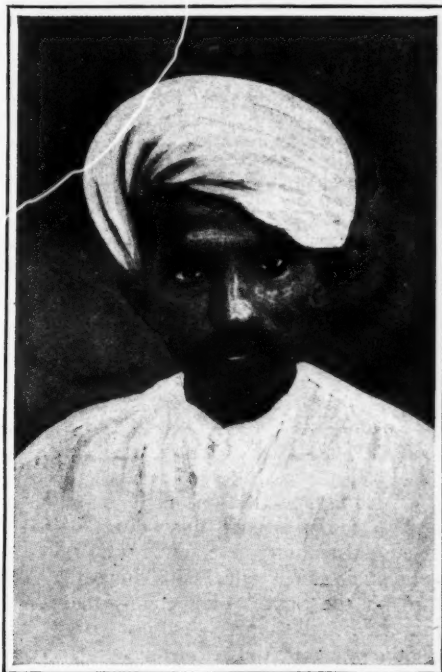
THE pacifist revolutionist, Mohandas Karamchand Gañdhi, is perhaps the most influential public man in India to-day. He is the president of the All-India Swaraj Sabha (Self-Government Society). At the Nagpur Indian National Congress, held last December, he was instrumental in changing the constitution of the Congress, and making it adopt his Non-Coöperation Movement which advocates the boycott of British titles, British employments, British schools and colleges, and British merchandise.

The spirit of revolt in India is so deep-seated and widespread, and Gañdhi is a tremendous factor to be reckoned with. Professor Gilbert Murray thus writes about the personality of Gañdhi in the pages of the *Hibbert Journal*:

About the year 1889 a young Indian student, called Mohandas Karamchand Gañdhi, came to England to study law. He was rich and clever, of cultivated family, gentle and modest in his manner. He dressed and behaved like other people. . . . He took his degrees and became a successful lawyer in Bombay, but he cared more for religion than law. Gradually his asceticism increased. He gave away all his money to good causes except the meagrest allowance. He took vows of poverty. He ceased to practise at the law because his religion, a mysticism which seems to be as closely related to Christianity as it is to any traditional Indian religion—forbade him to take part in a system which tried to do right by violence. When I met him in England in 1914, he ate, I believe, only rice, and drank only water, and slept on the floor; and his wife, who seemed to be his companion in everything, lived in the same way. His conversation was that of a cultivated and well-read man with a certain indefinable suggestion of saintliness.

His patriotism is interwoven with his religion, and aims at the moral regeneration of India on the lines of Indian thought, with no barriers between one Indian and another, and to the exclusion as far as possible of the influence of the West, with its industrial slavery, its material civilization, its money-worship, and its wars. . . .

In South Africa there are some 150,000 Indians, chiefly in Natal, and the South African government, feeling that the color question in its territories was quite sufficiently difficult already, determined to prevent the immigration of any more Indians, and if possible to expel those who were already there. Then began a long struggle. Indians were specially taxed, and were made to register in a degrading way. Their thumb prints were taken by the police as if they were criminals. If owing to the scruples of the government the law was in any case too



MOHANDAS GAÑDHI

lenient, patriotic mobs undertook to remedy the defect. Quite early in the struggle the Indians in South Africa asked Mr. Gañdhi to come and help them. He came as a barrister in 1893; he was forbidden to plead. Gañdhi came again in 1895. He was mobbed and nearly killed at Durban.

For many years he was engaged in constant passive resistance to the government and constant efforts to raise and ennoble the inward life of the Indian community. In 1899 came the Boer War; Gañdhi immediately organized an Indian Red Cross Unit. In 1904 there was an outbreak of plague in Johannesburg and Gañdhi had a private hospital opened before the public authorities had begun to act. In 1906 there was a native rebellion in Natal. Gañdhi raised and personally led a corps of stretcher-bearers, whose work seems to have proved particularly dangerous and painful. Gañdhi was thanked by the Governor in Natal and shortly afterwards thrown into jail in Johannesburg.

Persons in power should be very careful how they deal with a man who cares nothing for

sensual pleasure, nothing for riches, nothing for comfort or praise or promotion, but is simply determined to do what he believes to be right. He is a dangerous and uncomfortable enemy because his body, which you can always conquer, gives you so little purchase upon his soul.

Writing in *The Adventurer* (London), Mr. D. N. Bannerjsa, a Hindu author, speaks thus of Mahatma Gaṇdhi:

Mr. Gaṇdhi is the ablest mouthpiece of New India's dreams and ideals. His austere, puritanic life, his abstention from the merest suggestion of violent methods, his ingrained fighting instincts which in South Africa brought Generals Botha and Smuts to their knees, his identification, in interest and outlook, with the toiling millions in factories and cotton mills, and his iron will and capacity for suffering, all these have combined to

bring him into the forefront of Indian public life. Mr. Gaṇdhi has been able to sweep everything before him. . . . He is neither anti-British nor anti-European. He stands for peace and goodwill among the nations, all of whom should be free, equal and capable of developing their moral, economic, and intellectual resources. He believes, of course, quite rightly, that Indian self-government, which he holds the non-coöperation movement, if successfully conducted, need not take longer than a year to accomplish, is essential if the peace of the world is to be guaranteed. . . .

The conflict is no longer one between Britain and India: it is a struggle between British militarism and civilization, in which a united people propose to participate in concert, inspired by the confidence that the destruction of British militarism will not only help the overwhelming mass of the British people, but also enable India to make her peculiar contribution to world politics and world culture.

## THE PROBLEM OF MESOPOTAMIA

SOME light is thrown on the situation in Mesopotamia and the failure of British administration there, by a writer in the *National Review* who signs himself "The Man on the Spot." He claims that General Marshall's proclamation after the announcement of the Armistice was received with satisfaction by the native population. The seed of trouble was watered, if not planted, in his opinion, by the Anglo-French declaration at the end of 1918, when Mesopotamia and Syria were named as countries for which Great Britain and France would be responsible, and when it was guaranteed that they should choose for themselves their own form of government. When the plebiscite took place only a minority voted for complete independence, and the majority for a continuance of British administration under Sir Percy Cox. Anti-British feeling began later and developed into a regular campaign.

"The Man on the Spot" gives his reasons for this antipathy. Some of them were trivial though exasperating to the native mind, such as the billeting of British officials in the best houses of Bagdad while their rich owners had to live in small and squalid places. Feeling also rose against the growing numbers and annoying character of assistant political officers in the districts, who were young and inexperienced, not trained for the work, and ignorant of the language and customs of the Arab. The Expeditionary Force was the recruiting ground for these officials, and battalion commanders

would not release their best men. Also Indian officials at first acting as a leaven of experience in the tactful handling of the natives were gradually withdrawn.

But more important than these causes of discontent in the opinion of "The Man on the Spot," were the uncertainty and delay of the Peace Treaty. The Oriental mind appreciates quick and decisive action. Postponed promises fill them with suspicion and unrest. Ex-officers from the Turkish army came into Bagdad and inflamed discontent with British rule. They made use of Mustapha Kemal's rebellion against his Sultan and his British "captors," and the Pan-Arab and Pan-Turkish parties were busy. Trouble broke out in the Mosul region and Turkestan. The Kurds rose against British garrisons. During the feast of Ramadhan there were political gatherings in the mosques and the two rival sects of Moslem met together for the first time, united by common enmity to British domination, demanding the fulfilment of our promises of an Arab Constitution. The Bagdad-Basrah railway was cut, and the priests began to preach a Holy War. Something like war began in great territories occupied by small British forces. The trouble has continued and increased.

This article was written by "The Man on the Spot," in September, and since then the pressure of public opinion, and especially of financial advisers, has forced the government to a policy of withdrawal in Mesopotamia.





INDOOR SPORTS OF THE LEAGUE OF NATIONS

(To FRANCE, blindfolded: "It is time to remove your bandage; otherwise you will always be caught")

From *Le Rire* (Paris)

## FRANCE AND EUROPE

UNDER this title L. Dumont-Wilden, in the *Revue Bleu* (Paris), examines with remarkable incisiveness the extraordinary developments of that strange after-war year, 1920. The swift survey of their general character with which the article opens is anything but cheering. Almost every expectation entertained about the Treaty of Versailles at the opening of the year had been thoroughly disappointed before its close. A mere list of the items of failure makes a long catalogue, and the items, unfortunately, are only too familiar. Proceeding to examine with some particularity the status of the new-made nations, and the relation in which they stand to France, the writer says:

The right of nations to dispose of themselves was solemnly inscribed in the treaty; now the first use that the nationalities which we have transformed into states have made of their sovereignty has been to seek to oppress their neighbors or to satisfy traditional rancors, and the difficulties they experience in organizing themselves have demonstrated to what an extent they are still in need of counsel and tutelage. But which of the European powers enjoys a sufficiently undisputed prestige to be able to play the rôle of guardian?

France, which has made the most heroic sacrifices to the common cause of humanity, which has

given without stint its blood and its treasure to succor those of its allies that were in distress; France, which has given proofs of wisdom and incontestable political sagacity, could claim some right to that position. But never before has it been so clearly shown that gratitude is not a political attribute; all the new nations, which owe their existence or their sudden good fortune chiefly to France, manifest their craving for independence and their new-born national pride by instituting a policy almost anti-French, while all Europe regards with a singular mistrust the efforts of the government of the Republic to have the Treaty of Versailles carried out.

Citing one of the editors of *The New Europe*, who declares that France is in imminent danger of losing, throughout the world, the sympathy without which she could not have won the war, and who regrets that circumstances have made France the champion of the cause of social conservatism, which its enemies call reaction, M. Dumont-Wilson protests as follows:

A short-sighted view. If Europe did not affect to fear "reactionary" France, it would stand in great fear of revolutionary France. It is the honor and the misfortune of France that she has always figured in the world as the great dispenser of political ideas. In all the countries of Europe, even in insular England, the different parties have always dragged France into their

quarrels, and it is not so very long ago that the Belgian elections resulted in the defeat of — M. Combes. At that time France was represented as the country of anticlericalism, of irreligion, of corrupt minds and manners, as the permanent center of revolutions. To-day it is another tune. It is the international Socialists and anticlericals who fear French influence. Is that astonishing? It is natural that those who deal in equivocation and quibbling, with the consummate art which characterizes the usual personnel of the Socialist congresses should cast upon France the responsibility for the resistance to universal Bolshevism which redounds in great measure to their advantage, but which they vociferously repudiate so as to avoid the reproach of moderantism. Those Socialists who stand in the greatest dread of the Moscow Internationale display particular indignation that France should have supported Wrangel and Denikine, as if it had been possible to combat Bolshevism without leaning on the anti-Bolshevist centers of resistance existing in Russia.

Before the war, says the writer, there had stood opposed to the doctrine of plutocratic power and that material abundance which went with it, nothing but international socialism, dominated by the Marxian dogma of class-conflict. Between these two opposing forces, there existed a condition of unstable equilibrium—socialism making alternate advances and compromises. But the war and the Russian revolution have put an end to this state of things. Marxian socialism has been fatally discredited by Russian

experience; and the world is groping for some other means of remedying the evils of the existing order. In this temper of doubt and longing it turns instinctively to France for a sign of what the future is to be; and the result, for the time being, is a condition of uneasiness, of uncertainty and fear, as to what France in the present crisis of the world may really mean:

Ill-humor of international socialism, which realizes that France is escaping from it; mistrust of international finance, which feels its dominance menaced by the new trend of the French spirit; excommunication from international pacifism, which is scandalized by the policy of France toward Germany, justifiable as it is; ill-humor of the nationalities which comprehend the justice which inspires French policy only when it manifests itself to their advantage—such are the elements of the unquestionable withdrawal of sympathy with the French in the neutral countries and, one may say, throughout almost the whole of Europe.

We must not be too greatly alarmed at this state of things. France retains, all the same, very faithful friendships, and alliances guaranteed by mutual interests; England has at least as much need of the French alliance as we have of the English. Furthermore, let us not forget that the oratorical and literary sympathies which lately turned to France often sprang from the belief that she was gently inclining toward an amiable decadence. One cannot expect that a foreigner should have the same feelings for victorious France that he had for vanquished France.

## PROHIBITION AND ALCOHOLISM

THE purpose of the advocates of the Prohibition Amendment seems to have been to legislate against what was not only the nation's most immediate moral peril, but a peril that was becoming more threatening. Yet alcoholic insanity, which is an index of intemperance, has fallen in percentage among the first admissions to the New York State hospitals from 10.8 per cent. in 1909 to 5.6 per cent. in 1915, and to 1.9 per cent. in 1920. And between 1909 and 1917, when alcoholic insanity was decreasing, there was an increase in the State's general insanity rate. Even the percentage of first admissions reported as using alcohol to excess was, in 1909, 28.7 per cent., dropping to 18.5 per cent. in 1916, and to 12.2 per cent. in 1920. Dr. Pearce Bailey, an acknowledged expert on alcoholism, says in the February number of the *North American Review*:

The dream of enforced prohibition is a new, regenerate race; but, being a dream, it proceeds

before having arrived at a real understanding of what causes a race to degenerate. Degeneration is a loose term at best, but may be defined as a racial weakness in physique and morale which becomes progressive through heredity. Alcohol by itself does not bring it about. . . .

Morale is a question of mental states, and the quality of these states is shown in feeling and manifested in behavior. The pathological factors most easily identified in the decline of morale are the nervous disorders, constitutional for the most part, which impair the functions of the mind and the stability of the character. Among these disorders are insanity, mental deficiency, nervous diseases and their borderline types. The statistics upon which this paper is based show that in every thousand physically sound American young men of a given age period, there are twenty too much invalidated from such nervous causes to be soldiers, while there is less than one unfit from alcohol.

The statistics quoted by Dr. Bailey are chiefly derived from the activities of the neurotic division of the Surgeon General's Office. As used here, the term "chronic alcoholism" implies more than intemperance.

An "alcoholic," in the sense employed by the Army, was a man who had become so disabled through alcohol that the Army did not consider it profitable to attempt to reconstruct him.

There were 2150 recommendations for rejection or discharge for alcoholism and alcoholic insanity at voluntary recruiting points. The local draft boards grouped alcoholism and drug-addiction together under the term inebriety in a sum of 2007. If 1050 of this 2007 were alcoholics, the grand total of alcoholics, among approximately 3,500,000 men examined, would be 3200, or less than 0.1 per cent.—less than one in every thousand. This number is so astonishingly small and so far below previous estimates that it at once creates the belief that alcoholism must be more frequent when observed in a population containing older men. Such a possibility receives certain support in two ways. First, the average age of alcoholism was above the average age of recruits; and second, a relatively long period of drinking is necessary for the development of alcoholism. Dr. Bailey says:

As a matter of fact, the alcoholics were much older than any other neuro-psychiatric patients. For example, while 36 per cent. of them were between 30 and 34 years, only 13.3 per cent. of the drug addicts had attained that age period. They had been drinkers for long periods, 82.5 per cent. having a history of indulgence for more than five years. While the majority of the alcoholics of the Army were above the average age of the draft, approximately half of them were not drafted men, but volunteers, a group averaging older than the draft age. This excess of alcoholism among volunteers confirms previous experiences. . . .

If the volunteers were excluded, the alcoholics disclosed by the draft examinations, 1,261, leaves a number so small that when one considers that 2,750,000 draft examinations were made, there is small room for doubt that alcoholism in this country is not, *per se*, a serious menace to the health of young men. This is true, even if only one-third of the draft had reached the age most favorable for the development of alcoholism.

This would seem to establish a new knowledge in relation to the extent of pernicious drinking in this country. In temperance campaigns, statistics drawn from countries other than our own are often made use of as applying to us. For example, Helenius quotes statistics to show that in England and Wales one-third of the population are drinkers before twenty years of age. The present statistics show the absurdity of applying any such figures to the United States.

Alcoholism was approximately ten times less frequent among 69,394 neuro-psychiatric cases than mental defect, which is the index of a people's stupidity; six times less fre-

quent than insanity; three times less frequent than epilepsy. The general opinion that alcoholism and mental deficiency go hand in hand finds little support. The two conditions operate separately for the most part, and no two conditions which limit the normal function of the human mind are further apart in their clinical and social characteristics. Only 9 per cent. of the mental defectives of the Army gave a history of intemperance, and 40 per cent. were abstinent. Mental defect preponderates in rural communities (73 per cent.). Alcoholics are rovers. In mental deficiency there is a 53.7 per cent. history of neuropathic heredity, as compared with 39.7 per cent. in alcoholism. Of the alcoholics, 84.4 per cent. had a grammar-school education, while 41.1 per cent. of the defectives were entirely uneducated and 58 per cent. had been through the grades. Mental deficiency was found associated with alcoholism less frequently (6.8 per cent.) than with any other neuropsychiatric conditions except drug-addiction.

Communities with a large percentage of mental defectives tend to have no large cities and not to be alcoholic, with a greater communal immaturity and credulity. On the other hand, communities which fall below the average for mental defect tend to be more restless, progressive, original, with an excess of energy seeking artificial outlets like alcohol. Dr. Bailey holds the opinion that:

The means of securing for a nation those qualities of progressiveness which it most needs to keep its place in the world are the means which will raise the general average of its intelligence. Prohibition will not do this, for prohibition seems to have little effect on the mental defectives who lower the general intelligence.

Take the Southern States. Among the first to endorse prohibition, they have always been behindhand in their provision for their defectives. Prohibition will not solve their negro problem or greatly ameliorate it, as long as they fail to prevent the wholesale propagation of defectives and refuse to provide means by which the higher grades may be trained for useful employments.

One possible danger resulting from the enforcement of prohibition is that our people will feel so self-satisfied and righteous that it will be almost impossible to meet the actual problems of degeneracy not met by the removal of alcohol. In other words, feeling that we have solved the whole problem of moral peril and racial decline by prohibition, we may ignore the more imminent and serious menaces of mental deficiency, epilepsy and insanity.

## CHILEAN SHIPPING AND COMMERCE

TRADE between the United States and Chile has rapidly increased of late, owing in part to the improved transportation facilities between the two countries, and in part to the branch banks established in Chilean cities by American bankers.

American merchandise now reaches the Chilean market in less time than that of any other trading country equally distant from Chile. There are approximately four sailings of fast steamers from New York to Valparaiso every month. The record time for covering this distance is seventeen days and nineteen hours, but the average voyage lasts about nineteen days. Tramp steamers usually make the trip in about thirty days. If an order is cabled from Santiago to New York it is safe to estimate that the goods should be in the buyer's warehouse at Santiago within thirty days after the sending of the cable. Other commercial countries—rivals of the United States for the Chilean trade—require from forty to sixty days to make a delivery of goods.

The following figures exhibit the trade relations between the United States and Chile for the past six years:

IMPORTS FROM CHILE			
1915.....	\$37,284,043	1918.....	\$166,082,920
1916.....	82,123,996	1919.....	82,442,364
1917.....	142,597,929	1920.....	120,515,597
EXPORTS TO CHILE			
1915.....	\$17,816,114	1918.....	\$66,404,300
1916.....	33,392,887	1919.....	53,121,087
1917.....	57,549,304	1920.....	55,310,465

The average annual departures of vessels from Chilean ports are as follows:

	No. of Vessels	Aggregate Tonnage
Chilean .....	9,756	6,293,339
English .....	1,506	4,240,395
American .....	1,054	3,095,832
Other Nationalities ....	1,334	3,499,180

The bulk of the coastwise trade on the Pacific coast of South America is handled in Chilean bottoms, the largest Chilean steamship line being the Compañía Sud Americana de Vapores, which operates eight large passenger and cargo steamers with an aggregate tonnage of about 36,000 tons.

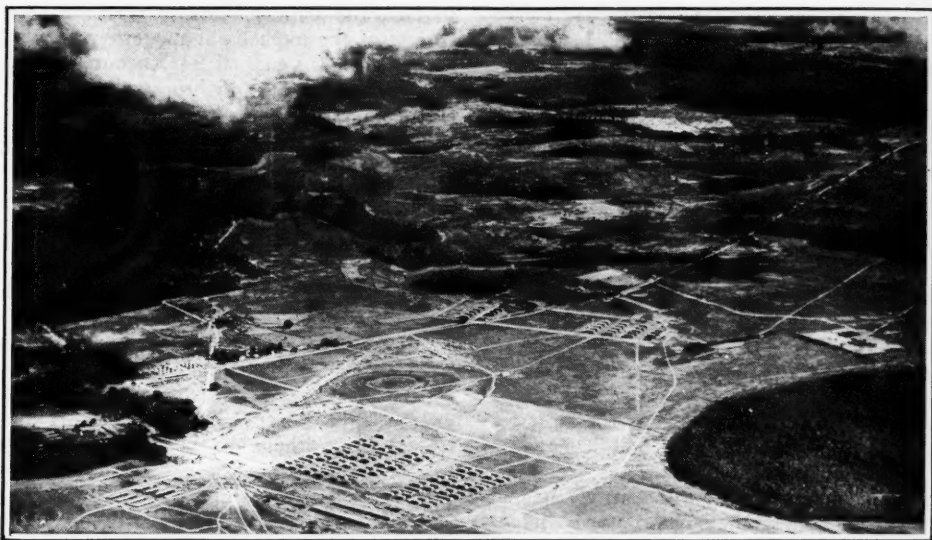
Starting from Arica, Chile, and going south, the most important ports are: Iquique, Antofagasta, Valparaiso, Talcahuano, and Punta Arenas. Valparaiso is the center of the major part of all shipping in Chile and

vessels from all parts of the world direct their course to this port. Shackleton and his Antarctic explorers were brought here after his ill-fated ship *Endurance* was lost in a heavy ice pack on his last expedition to the South Pole. The port of San Antonio, forty miles south of Valparaiso, has been recently completed with breakwater and modern harbor improvements and due to its not being made a major port by the government is only partially open for traffic. No vessels can discharge dutiable merchandise there without special permission from the Custom House authorities. This port is designed to relieve Valparaiso from the bulk of the traffic which goes to the interior and south of Chile, as it is better situated, has more improved handling facilities, and is more accessible to the interior.

There are few ports in Chile, or in almost any other South American country, which are equipped with docking facilities for steamers; all cargo is therefore necessarily discharged onto lighters and thence to wharves. It is of utmost importance to the American exporter that he take care in seeing that goods are properly packed before shipping. Properly packed means more than having the goods boxed and a metal band put around both ends. That is not enough! Most of Chile's commercial seaports are exposed to the perils of the sea and at times the harbors become so rough that the port authorities are obliged to issue an order that no launch or lighter shall leave the wharves or go out to any vessel anchored in the harbor under penalty of a heavy fine. A vessel when anchored in a harbor like this is constantly rolling from side to side, and if a case is lightly constructed and the contents heavy or bulky, it will not withstand the rough handling to which it is subjected under such conditions, because it often happens that while a vessel is discharging she is continually wobbling and in many instances slingloads are battered against the steel sides of the ship and the cases are left open, which immediately become prey for pilferers so abundant in all ports of South America.

Chile has 8216 kilometers of railroad lines. Nearly all of the railroads are owned and operated by the government. They connect all the important cities from north to south. There are also international lines to Argentina and to Bolivia. No other South American country is so well served by its railroads.





U. S. Army Air Service

## UNITED STATES INFANTRY SCHOOL, CAMP BENNING, GEORGIA

(Where, on a tract 13 miles wide and 17 miles long, 98,000 acres may be used simultaneously by three complete army divisions for several days' advance under approximated battle conditions, with great tactical diversity)

## OUR GREATEST ARMY TRAINING SCHOOL

**N**EVER in our history had the United States Army had adequate facilities for divisional training until the World War; and our greatest problem has been to practice battle manoeuvres with large units under practical conditions. As an outgrowth of the School of Musketry established in 1907 at Monterey, Cal., for instruction in small-arms firing problems (with about a dozen officers and sixty enlisted men as selected students), the present United States Infantry School has been established at Camp Benning, Georgia, where the last class totalled 692 officers of the regular army and forty-two officers of the National Guard.

Unparalleled training facilities are contained in this ideal site on the Chattahoochee River, with climatic conditions for all-year-round outdoor work and wonderful diversity of terrain. In the *Times* (New York), for Sunday, January 30, Mr. Fitzhugh Lee Minnigerode states that in one portion of the camp 1,200 targets may be placed for rifle and pistol practice, and all be used at the same time. He says:

There are also ranges for the firing of machine guns, hand and rifle grenades, Stokes mortars,

Mar.—7

automatic rifles and the 37 millimeter guns. Artillery and tanks may work out their problems simultaneously with the infantry. Also, while it is the American policy to emphasize in training open warfare or war of movement, trench warfare is recognized as a possibility and a complete system of trenches has been constructed.

In spite of many innovations which the late war brought about, American infantry places its greatest reliance upon the rifle and rifle fire to win battles, and therefore fire problems are given the first place in the Infantry School's work, and fire training is conducted on a large scale.

All former sites for training exercises involving large forces have been deficient in one way or another, and Camp Benning seems to fill these lacks. Nearly a thousand officers are on duty there, mostly as students, and the garrison consists of every branch of the service—engineers, light and heavy tanks, air service (both branches), motorized infantry and artillery, and medical, quartermaster, signal and ordnance corps—which detachments administer the school and give demonstrations. A valuable feature of the school is

an experimental division busily engaged in conducting tests of new inventions and innovations in warfare. These tests are exhaustive, and nothing new is adopted until it has been thoroughly tried out and recommended.

Matters which affect the infantry arm are referred by the War Department to a board of officers officially called the Infantry Board. This board is a part of the Camp Benning personnel.

Mr. Minnigerode tells his readers that preparedness is difficult because of lack of appropriated funds, rather than because the army is unready or unwilling to carry on.

In fact, the army has set to work to keep abreast of the methods of modern war with limited funds and little encouragement. Camp Benning is a fighting school which teaches hundreds of officers and men, not only how to fight, but how to teach others to fight; and as such it is a tremendously important cog in the machinery.

## AN ITALIAN ESTIMATE OF D'ANNUNZIO

A JUSTLY severe judgment is passed on D'Annunzio's adventure at Fiume by a writer in *Rassegna Nazionale* (Florence). He declares that even the most fervent admirers of the poet find it now impossible to repress altogether a feeling of disgust. The writer of the article had always maintained that D'Annunzio himself would soon furnish the material for a judgment of the true character of the Fiume exploit. For a certain time public opinion hesitated between two explanations: Was it due to an outburst of genuine patriotism, or was it merely an exhibition of hare-brained ambition? To-day, however, doubt is no longer possible.

The Fiume enterprise, if we can admit

that it has had some beneficial effects, which is open to discussion, struck a dreadful blow at the foreign prestige of Italy, and also at the very fabric of the State. If the spectacular methods of the commander and his followers earned a favorable response from the credulous simplicity of the Italian people, and especially from the literary pose of a part of the Italian university world, it could never lead foreign public opinion to regard as a heroic action an enterprise which never subjected its leaders to the least shade of danger.

Many ask how this exploit could have taken place and could have found support in Italy. The explanation is not difficult, if we take the pains to recall the events of the last few years. The Italian ministry which initiated the war, faithful to its program of utilizing every means to impose it upon an unwilling people, did not hesitate to make use of the poet, who at the opportune moment returned to Italy from his sojourn in the generous Latin sister country.

The war ministry gathered about itself a number of dubious personalities, to whom facilities and powers of all sorts were accorded. By the time the war ended, they had perfected an organization and formed a state within the state. Naturally enough they attracted all to whom the war had given a factitious prestige and an unhopedor prosperity, and whom peace would have inevitably relegated to their former obscurity. Therefore they obstinately defended the positions they had attained. D'Annunzio became their leader. They made use of his boundless ambition, and he in his turn used their audacity without the slightest scruple. Each exploited the other, and perhaps, like the Roman augurs, they smiled slyly when their eyes met. As always happens, these designing men carried along with them a host of innocent people.

True it is that, little by little, these in-



THE "FLIGHT" OF D'ANNUNZIO  
(The moth and the flame)  
From *De Amsterdammer* (Amsterdam)

nocent people began to open their eyes, and the defection of the best among them spread daily. But the frenzied *réclame* which had been carried on for so many months regarding the personality and the deeds of D'Annunzio by the best as well as by the worst among his followers, had borne its fruits, and too few had the courage to break completely the chains with which they had been cleverly bound. The government either could not, or would not, act against them. Under its very eyes young men and youths were enrolled throughout Italy, and even in Rome, by representatives of D'Annunzio. The crisis, which has now happily passed, could have been prevented by energetic steps taken in time. The writer believes, indeed, that D'Annunzio himself was dominated by the undesirable characters who surrounded him, men who had nothing to lose, and who tried by every means to prevent a pacific solution of the problem.

In conclusion, we are given a comment on the D'Annunzio régime from a sup-

posedly friendly foreign association, the "Groupe Clarté," of Paris, in answer to a letter from the Fiume leaders, explaining their aims and justifying them. The answer was given in no uncertain tone, and was to the effect that this "theatrical adventure" of D'Annunzio's had only a narrowly nationalistic aim. For this reason the "Groupe Clarté" protests warmly against the "Fiume aggression". Its statement concludes as follows:

The unmistakable sentiment of imperialism, militarism, and greed for annexations, which animates the Fiume adventurers, shows forth clearly in all the pompous addresses and proclamations of a man who possessed formerly a high degree of literary talent, but who has devoted himself lately to the defense of an artificial and destructive ideal. To look upon exploits of this kind with indulgence would be to expose the world to the fantasies of adventurers, sincere or otherwise; it would be to consecrate the success of violence, and to encourage everywhere, at the caprice of anyone possessing the requisite audacity, the ill-regulated aspirations of an unenlightened public.

## CUBA'S IMMIGRATION PROBLEM

IN a recent issue, *Cuba Contemporánea*, of Havana, comments editorially on the grave immigration problem now facing the legislative body of the island. Due to her participation in the world war and the great scarcity of field labor, the Cuban Legislature, on August 3, 1917, authorized the entrance of any and all laborers contracted for farm work, and, with the bars down, a flood tide of undesirable immigration resulted, hordes of Jamaican and Haitian negroes flocking to Cuba. According to recent statistics, 24,187 Jamaicans, 10,044 Haitians and 1236 Chinese entered the country during the year 1919. It is believed that the figures are even greater for 1920, but this is not yet officially known.

The results accruing from the letting down of the bars are so disastrous, especially from the sanitary viewpoint, that demand is now made of the public authorities to put a stop to the evil, that the above-mentioned law be revoked without further delay, and that the former preventive measures against undesirable immigration be reestablished.

The Cuban Board of Health has recently published documentary reports showing that various diseases, of epidemic character, which are now claiming Cuban victims, are due to the entrance of these foreign elements, which

have acted as agents in the importation and transmission of diseases. Many of these diseases, it is claimed, had been completely extirpated, while others had been materially reduced.

From the social standpoint, in its economic sense, it is pointed out that the competition of the Jamaicans, Haitians and Chinese has been very prejudicial to the native Cuban workmen.

In answer to the Cuban Board of Health, as well as to the demands of several labor unions, which in December last agreed to solicit the enactment of law permanently prohibiting the immigration of the Jamaicans, Haitians and Chinese, Dr. Cosmes de la Torriente, member of the Upper House, has recently introduced a bill abrogating the law of August 3, 1917. The proposed law, in addition, gives the President of the Republic the power to order "the removal from national territory of every immigrant that might have arrived under the exclusive protection of the law that is abrogated."

*Cuba Contemporánea* concludes its article by congratulating Dr. Cosmes de la Torriente for his initiative, and expresses the hope that the solution of the immigration problem may soon be realized.

## JAPAN'S PART IN WORLD POLITICS

THE leading article in the *Paris Correspondent* for January 15 discusses at extraordinary length, "Japan and the Future of the Far East." The paper is quite lacking in the artistic form and clear unity of the typical French essay, and indeed hardly seems to be composed from the French point of view. Its rather cynical frankness as to diplomatic motives makes it a most illuminating historical study. The writer quotes religious and secular journals in this country with remarkable freedom and accuracy. One is inclined to the conclusion that the edge of the argument is, on the whole, turned toward the American reader. Certainly the views set forth, if their soundness is granted, are full of the gravest warnings for the Government and citizens of the United States.

The special occasion offered for writing is the expiration, on July 13 next, of the ten-year treaty and alliance between England and Japan, and the present negotiations to renew it, in amended shape, so as to conform it to the spirit of the Covenant of the League of Nations. "On this renewal the whole future of the Far East depends."

Another timely element is now added, by the announcement that the ambassadors of Japan and the United States have just reached an agreement as to their attitude toward the California State laws which limit severely the control of land by Asiatic aliens.

The writer quotes various frank utterances of Japanese leaders—intended for their own people only—to the effect that the complete absorption of all Europe in the war against Germany gave the opportunity, which would hardly recur in a hundred years, for that complete domination and infiltration of China which was "necessary to Japan's proper development." As a matter of fact, when the ultimatum in twenty-one articles was forced upon China in 1915, the United States alone was in a position to make effective remonstrance. The most offensive articles—which would have ended China's existence as a political power, and laid her boundless resources open to exploitation from Nippon, all but exclusively—were withdrawn. Even so, the "Treaty of 1915" has never passed the Chinese Parliament, and so has no legal status. A somewhat similar series of eight demands, made on a very slender pretext in September, 1915, indicates no essential change of Japanese policy.

It is no real secret that Japan desires and works for a divided, helpless China, to which her "protection" may finally come as an evident necessity.

There is, however, in Southern China especially, a considerable pro-Japanese party, not merely bought up by Japan, but in part also timid patriots, who believe that the hegemony of a kindred people, of their own color, is preferable, and probably the only alternative, to such fragmentary distribution among alien and utterly ruthless masters. They feel no effective persuasion to become Christians!

With startling frankness—let us hope, also, in error at least as to ourselves, the writer says:

Periodically Japan announces that she is going to return Kiauchau to China; but the latter, not without reason, taught by past events, suspects that it is but a pretext for demanding fresh concessions; for example, the renewal of the Chino-Japanese military compact. Japan has always shown great skill in the employment of propagandists and fomenters of trouble, in foreign countries where this could serve her interests. It is useless to veil our own face; the government of Western Europe, and of the United States, have long practiced these methods, on a vast scale, and are continuing them shamelessly at the moment when these lines are written!

Japan encouraged, and aided financially, the internal revolution of Russia (a statement proved with convincing circumstantial evidence). The Chinese revolutionist Sun Yat Sen was subsidized by Japan. The Japanese Government wished to enfeeble China, even by a revolution in the South. She by no means desired the overthrow of the Manchu dynasty. If one government of "celestial" origin could be unceremoniously thrown out by revolutionaries in China, there was no reason why another equally "celestial" might not some day meet the same doom in Japan.

As to the present situation, the writer does not mince his words. The United States, he notes, while preaching peace, is making such efforts as never before to create an irresistible navy. President Wilson himself interrupted a strenuous discussion in Paris to cable home an insistent message that the maximum naval program must not be cut. Japan, out of her infinitely more slender resources, is spending three-fourths as much as we, to a similar end. And Great Britain maintains her "two-power" policy by expending, even in her present desperate financial condition, more than both the two rivals.

Now, since the German warships disappeared so ignobly from the face of the seas,



with the whole continent adrift on the very verge of bankruptcy, there is no power, nor group of powers, in all Europe, to threaten English supremacy on the water. Her strenuous efforts seem clearly to be stimulated by our own and Japan's. What is the ultimate meaning of all this?

At this point the writer shows a warmer sympathy than elsewhere for Japan, and an increasing cynicism as to our own aims. Our intercession to save China, both from division among rival powers and from domination by Japan alone, is credited to the desire of American capitalists to secure a liberal share of mining privileges, railway franchises, etc. This, indeed, is not to be wholly denied, though we claim also the larger view, that a free, enlightened, and safely-guided Chinese Republic would eventually enrich incalculably both its own citizens and all the rest of the world, interlinked with it in normal trade relations. But there is, also, here in the United States, we assert, far more devout, sincere, cosmopolitan philanthropy, to-day, than anywhere else on the globe. It would be shameful, indeed, if our unrivaled wealth did not make that true.

The Japanese, again, charge the recent Korean attempt at revolution chiefly to the American missionaries, whose converts are said to have been its leaders, while the mission houses were often their arsenals and even forts. It was, again, President Wilson who vetoed the free advance of Japan, alone, into Eastern Siberia, and insisted that any action taken must be international. On this occasion it is declared that even Japan's private soldiers shouted insolently at American and British officers: "What are you here for? Asia belongs to the Asiatics!"

The last straw, it is added, is the arrival home of Mr. Washington Vanderlip, announcing concessions of value running into the billions, obtained for "Big Business" on the U. S. West coast, at a nominal consideration evidently, from the Bolshevik tyrants in Petrograd, who sell what they never bought, and never had in their control, to a people who have never even scratched the boundless resources of Alaska, who cannot themselves live in the climate of Northern Siberia, and who, moreover, have still immense areas of fertile lands, either waiting for systematic irrigation, or used merely in vast wasteful cattle ranges, though they would reward the most skilful intensive cultivation.

Here, indeed, it may well be time for us

to consider fairly the Nippon view of a great international problem. They are sixty millions already, and increasing faster than any other race. Of the 200,000 square miles in the island kingdom, barely one acre in ten is really arable. We have not merely discouraged Mongolian immigration here; we would forbid any actual settlement, though it were by peaceful purchase, even in Spanish America. Our example is practically followed by Canada. And we do look with stern disapproval on any extended infiltration of China. The quotations from our denominational papers, in this very article, also suffice to show that Japan's methods, at least of subduing the Koreans, have been sweepingly condemned here, as in no other land on earth.

May it not be both just and prudent to leave this tireless race free hand in thinly peopled, feebly-governed Eastern Siberia? To the nominal overlords of misrule in Petrograd, surely, we owe nothing. Can we afford to have such a people as Nippon cherishing the all but unanimous belief that a fight, even to the finish, with us is better, and more honorable, than to be penned up for slow starvation in their little isles of the sea?

As to England's ultimate purpose, the essayist is frankly in doubt. He does not lay any emphasis on ties of blood or friendship with ourselves. As to the lasting force of treaties of "offensive and defensive alliance," he is quite as cynical. But there are other considerations not duly emphasized here, though frankly touched on elsewhere in the paper. More than one utterance by Japanese statesmen foreshadows a determination to create, eventually, a federated power or Asiatic empire strong enough to challenge alike the social and the political dominance of the white races, the whole world over. A war with us would surely bring to Japan either a crushing defeat, or dominance in China, Korea, the Philippines, etc. Japanese statesmanship has already avowed the next step: "There are in India three hundred million natives waiting for us to free them from the yoke of British tyranny." That would alone bid England pause. Furthermore, Canada, Australia, New Zealand, even the Cape, could never be led against us, as allies of Japan, and might even side against such an "unholy alliance"—which indeed is really unthinkable.

Despite its extreme lack of coördination and unity, this paper should by all means be

exhaustively studied by all who are seriously interested in the largest racial and political problems of our troublesome days. While the first and last pages were clearly written in late December, and to all appearances in Paris, the rest seems more like extremely frank jottings, perhaps not meant

for a world-public, of a mature political student in the Far East itself. Much might well have been entered, from time to time, in a "journal intime," by a man to whom an active political career had left few illusions as to human nature and its baser motives.

## THE AWAKENING OF LABOR IN MODERN CHINA

**E**VEN in once changeless China the proletariat is beginning to shake off the apathy of ages. Labor in that country has still a long way to travel, if we view the situation from the Occidental standpoint, but it is pregnant news that the Chinese worker "now insists on having a wage not barely to keep his body and soul together, but with a little surplus for Saturday-evening movies." Perhaps it is those very movies that have taught him to crave more than a bare living.

Mr. Ta Chen, a fellow of Columbia University, from whom we have just quoted, writes of "The Labor Situation in China" in the *Monthly Labor Review* (Washington, D. C.). His paper is based on a number of contemporary publications issued in China; especially on the "Labor Number" of a monthly journal called *La Jeunesse* (published in Chinese). There are, it appears, several immediate causes of economic unrest in China. First of all there is the increased cost of living, due to the world war. Wages have also increased, but not in proportion. Hence, strikes are much in vogue. Thus the Hong Kong strike of April, 1920, involved 9000 workers and completely paralyzed the local industries. It resulted in a material increase of wages. Another factor in the situation is the so-called "student movement." This is a nation-wide protest, fomented by an organization of Chinese students, against the award to Japan under the treaty of Versailles of German rights in Shantung. The orators of this movement have been preaching industrial development as well as patriotism, and have made the laboring classes familiar with the ideas of "fair wages," "short hours," and the "dignity of labor." At the same time there has been a general boycott of Japanese goods, which has led to a great development of home industries and a consequent increased demand for labor.

Chinese labor is, however, still imperfectly organized. The writer says:

Although national labor organization, as the term is understood in the United States, is just making its appearance in China, local organizations for the welfare of the worker are numerous. These organizations are of two types—antiquated and modern. The native organization, little influenced by foreigners, is of long existence. On the farms, the laborers usually form into small groups of anywhere from twenty-five to 100 men, under the direction of a "headman" and his assistants. When labor is needed, the employer makes a contract with the headman, who sends him workers for the job. The headman collects bills and divides gross receipts with his men on an agreed ratio, which varies in various communities. As the headman usually knows local conditions well, his information on employment and labor is accurate. In the absence of labor employment bureaus, such as exist in the United States, this organization, though antiquated, is highly useful for lessening unemployment in seasonal labor such as agriculture. In trades, apprenticeship is still in practice in many industries. When a youth wants to learn a trade he goes to his master, who furnishes him food and lodging. The apprentice lives there and works for the master for three or more years. During this period he gets a nominal pay, or perhaps none. The masters in a particular industry organize the guild, which by its elective officers looks after the welfare of that industry. The apprentice may be initiated to become a member of the guild, when the term of apprenticeship expires.

Labor organization on a modern basis is of recent growth. Before the revolution of 1911, the railway workers, miners, and cement employees of Tangshan, Province of Chili, numbered more than 6000. Prompted by gregarious instinct and perhaps animated by a desire for self-elevation, they established a general meeting place for reading purposes and amusements. Then the revolution came. Enthusiastic workers saw urgent need for a closer organization to meet new conditions. The Tangshan Labor Union, composed of some 800 members, was then formed. For a time it wished to affiliate itself with the Labor Party of Shanghai, which intended to be a national organization. Failing in the attempt, the Tangshan Labor Union resolved to devote its entire energy to the welfare of the workmen in the community. Among other things, it provided for a reading room, a monthly publication devoted to

labor and industrial problems, evening classes for the workers, and a lecture group on sanitation, health, and personal hygiene. Unfortunately, political and social unrest in recent years have shaken the foundation of the organization, and the union has undergone reorganization several times.

Still newer types of labor organizations are the Progressive National Labor Union and the Chinese Returned Laborers' Union. Both absolutely refuse to have anything to do with politics. They set out to achieve two main things—the education of the worker and the increase of wages. Unlike the other labor organizations, they are not involved in the student movement, nor do they show sympathy in the agitations by merchants in many cities. Their chief aim is to gain mutual aid among the workers; and this, they believe, can be obtained only through educational uplift of the working class. So far as

we can judge, they are neither socialistic nor unintelligently radical.

As to the outlook for the future, Mr. Chen says:

The immediate elevation of the laborer will temporarily depend upon the efforts of the capitalist. For some time to come the illiterate worker will not be able to struggle advantageously with the better organized employer. The employer, on the other hand, can not ruthlessly enslave the employee, for the temperament of the Chinese social composition is strongly antagonistic to capitalistic exploitation at the expense of the "human machine." As matters now stand, the Chinese social mind, rather forcibly expressed through the press, will in a large measure force the employer to take a conciliatory attitude toward the worker long before the capital-labor struggle gets to a complicated stage.

## PAN-ISLAMISM AND ITS MENACE TO WORLD PEACE

AN ARTICLE replete with interest concerning the movement of Pan-Islamism, by General Bajolle, appeared in a recent issue of the *Revue Mondiale* (Paris). The writer suggests how that menace may be warded off by sagacious treatment of the Mohammedans by the Western powers.

He says in the course of his remarks:

The war, which stirred up so many nationalities, marked also a revival of Pan-Islamism, which, under the impetus of the Turkish Nationalists, has sought to rouse anew the Moslem against the European world.

The question is a grave one, and worthy of being studied. France and England are specially interested in it; England in particular, which beholds already in Egypt, India, Mesopotamia, the starting of a conflagration which it is unable to extinguish.

What then is this Pan-Islamism which thus menaces the world?

As a matter of fact, ever since the vast expansion of the Arabs in Islam's period of splendor, Pan-Islamism has always existed in the minds of the Moslems, who do not countenance their co-religionists being under Christian rule. But under the influence of Moslem rulers interested in keeping on good terms with the European powers, it slumbered a long time, evident only in the latent enmity ever present between Christians and Mohammedans.

The creation, however, in 1845, of a new religious order, the Snoussia, in Tripoli, was

the first attempt at Pan-Islamism—very sympathetically, though not officially, recognized by the Sultan of Turkey. In fact, it is the presence of that order in Tripoli that caused Italy all the trouble in penetrating the country.

During the World War, Turkey, under German pressure, essayed to appeal to Pan-Islamism by proclaiming a holy war against the Allies, but it encountered two obstacles—the separatist movement of the Hejaz Arabs, who claim the religious leadership of Islam, and the loyalty of the Moslem subjects of France and England, who in great part offered their service to their Western protectors. The holy war was thus but faintly echoed in the Moslem world, and it is likely that without the breaking up of Turkey, sanctioned by the treaty of Sèvres, things would have remained in that condition.

All the world knows now that England desired at first to drive out the Turks entirely from Europe into Asia Minor. The opposition of France, better realizing the contingencies of the situation and the insuperable difficulties of assigning Constantinople to a particular country, caused that solution to be discarded. But Turkey, reduced in Europe to Constantinople, representative of its past grandeur, has had its richest provinces amputated, its prestige and power diminished.

This diminution has created a profound

effect in the Moslem world, which has always regarded Turkey as the crown of Islam, and the party of the Young Turks, which before the war delivered Turkey to Germany, promptly exploited that emotion in order to escape the responsibilities of a collapse directly traceable to them. It has posed as a defender of Islam in danger, and, under the color of Nationalism, has led the opposition to the treaty of Sèvres.

As long as it hoped that Turkey would reject that treaty it limited its activities to intrigues of all sorts, but when it saw that the government yielded to Allied pressure, it threw off its mask, and, thanks to the weakness or the complicity of the government, it took up arms to prevent the ratification of the treaty.

The Nationalist party is composed mainly of the advocates of a German alliance, and it would be showing great ignorance of the ramifications of German espionage not to recognize that it is urged on and supported by Germany, whose actual policy it is to foment disorders wherever it is possible, in order to thwart the execution of the treaties which establish her defeat.

Despite the sympathy aroused among the Moslems by the Turkish Nationalist movement, it would, left to itself, perhaps not have transcended the limits of those military revolts of which Turkey has so often been the scene. The entry of an unexpected factor, of Soviet Russia, has given it a support which has enabled it to keep the field against a Europe exhausted by four years of war, and unequal to undertaking a new expedition in so difficult a region as Asia Minor.

This connection may at a first glance seem disconcerting, in view of the Moslems' religious ideals and their traditional regard for family and hierarchy. But business is business. The Nationalists have seen in this affair only a means of obtaining resources to continue the conflict, and, on the other hand, the Bolshevik leaders believe they have found in Pan-Islamism an instrument to rouse the Moslem colonies against France and England, thus hastening the advent of a universal revolution, which is their abiding object.

Under these conditions, the Turkish Nationalists were perforce obliged to extend their claims by appealing anew to Pan-Islamism, loudly affirming their intention of freeing the Moslem peoples subjected to European masters.

All Mussulmans are brothers. The Koran expressly declares it, putting religion above nationality. And it is the strength as well as the

weakness of that doctrine that it looks lightly upon political ties provided the religious tie persists, undisputed and indestructible.

If in the religious field the fight against Pan-Islamism has been difficult, it seems that in the political one, where the European powers had full liberty of action, they could have defended themselves more effectively.

France understood it well, but here again the English have shown a blindness difficult to explain on the part of a people so sagacious in colonial affairs.

Their indifference to the just claims of their Moslem subjects; their imperial policy in Palestine, Persia, Mesopotamia, and even in Syria, have greatly contributed to alienate the sympathies of Islam. England has wished to expand too much in Asia and Africa. He who embraces too much has but a feeble hold.

France, on the contrary, true to its liberal policy toward the natives of all races in its colonies, has thus far preserved its Moslems of North Africa from the intrigues of Turkish Pan-Islamism. But it must be borne in mind that if grave troubles arise in the English zone they would be echoed among us.

The first care of our foreign policy should be to allay the mistrust which our intervention in Syria, and particularly in Cilicia, has aroused.

We are doubtless acting in virtue of a mandate of the League of Nations, but Turkey refuses to recognize the validity of that amputation of her territory. We must, therefore, come to an agreement with Turkey in order to justify our intervention, even should it involve a revision of the Sèvres treaty.

While the ruins in our country are still unrepaid is it a time to expend billions in a foreign country which will escape us some time or other; to construct roads and railways while thousands of French people still await a roof to shelter them?

No; wisdom for nations, as for individuals, is not to undertake things beyond their means. Let us not persevere in an adventure, entailing sacrifices in men and means, which the nation no longer desires. Let us negotiate with Turkey about our evacuation of Cilicia and our mandate in Syria. That will suffice to maintain our prestige and our influence in the Orient, and this proof of moderation will be a first step in the appeasement of the susceptibilities of Pan-Islamism.

To sum up: to defend ourselves against the Pan-Islam propaganda and avert the disturbance that it might stir up in the minds of the Moslems, the best means, I believe, would be to meet them in a frank, friendly spirit, and to associate them in the conduct of their affairs as well as in the general policy of the nation of which they form an intimate part.

We should convince them, by acts rather than by words, that from a religious point they have nothing to fear from our tolerant spirit; that from a political one their interests accord with ours, and that Pan-Islamism would result for them only in sterile convulsions, as disastrous for them as for us.

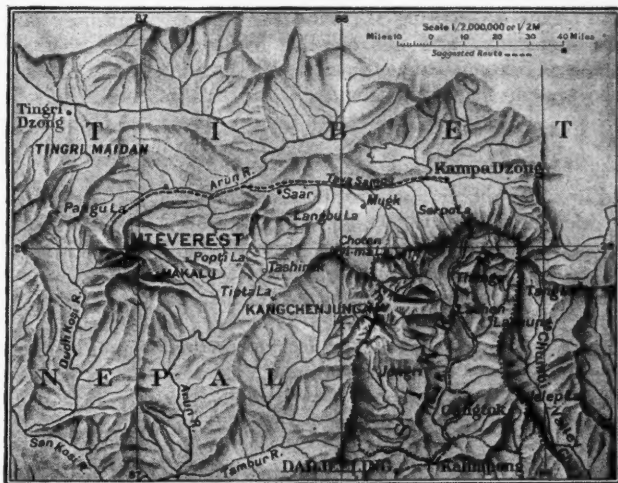


# THE PROPOSED ASCENT OF MOUNT EVEREST

AT last an attempt is to be made to climb the world's highest mountain. Although a vast amount of mountaineering has been done in the Himalaya, not only has Mount Everest never been climbed, but no white man has ever been within forty or fifty miles of it, and all the country around it is unknown. Political rather than physical obstacles have hitherto barred the approach to the mountain. It is situated near the frontier between Nepal and Tibet: countries which have never welcomed the European visitor. On a few previous occasions expeditions have been definitely planned to attempt the ascent of Everest, but in each case the Government of India vetoed the undertaking.

The man who has had most to do with the abortive projects just mentioned and who is the leading spirit in the enterprise now on foot is Brigadier-General the Hon. C. G. Bruce. As he has been climbing in the Himalaya off and on for the past thirty years, his address on "Mount Everest," recently read before the Royal Geographical Society and published in the *Geographical Journal* (London), doubtless contains the most authoritative information available concerning the nature of the great task which lies before the British mountaineers. General Bruce sets forth the plans of the expedition, which is to be a joint undertaking of the Alpine Club and the Royal Geographical Society. His paper is followed by the usual "discussion," the contributors to which include such veteran mountain-climbers and Himalayan explorers as Douglas Freshfield, Captain Longstaff, Prof. Norman Collie and Sir Francis Younghusband.

The expedition nopes to start next summer, and will devote the first season to preliminary reconnaissance. The proposed route lies from Darjeeling northward through Sikkim to Kampa Dzong, in Tibet, and thence westward about 120 miles to the northern side of Mount Everest. A



SKETCH-MAP OF THE NEIGHBORHOOD OF MOUNT EVEREST

great deal of exploring and prospecting must be done in the adjacent country before any attempt is made to scale the mountain. Eventually a main camp will be established as high as possible on the slopes of Everest; perhaps above 20,000 feet. The actual climb will be attempted the second year, but if the route should prove to be ill-chosen a further postponement of the crowning feat will be necessary.

Elaborate plans are being made for this expedition. The personnel and equipment will be of the best, and the climbers will have the advantage of a rich fund of experience yielded by the many other high ascents in the Himalayan region, such as the Duke of the Abruzzi's climb to the unprecedented altitude of 24,600 feet on Bride Peak, in 1909, preceded by the even more remarkable exploit of spending three weeks above an altitude of 21,000 feet. According to the latest figures published by the Survey of India, the altitude of Mount Everest is 29,140 feet.

General Bruce tells us that it is proposed to use aeroplanes for reconnaissance purposes in connection with the forthcoming expedition, though there is apparently no intention of attempting to reach the summit *via* the air.

Mount Everest was named for the Surveyor-General of India, Sir George Everest, who fixed its position and altitude in 1841.

## ITALY'S FUEL PROBLEM

ONE of the most difficult problems that confronts Italy to-day concerns the best means of securing the necessary supply of combustibles, and this question has been attentively studied by Giuseppe Belluzzo, who presents his results in *Rivista d'Italia*. He says that while the war has been a hard lesson for Italy, it has at least served to make clear her situation in this respect, and led to the establishment of a Commission of Combustibles to regulate investigation, production, concessions and distribution. Thanks to this, Italy was able to traverse successfully the great crisis which menaced her production of war materials.

The interruption of sea traffic due to the activity of the German submarines and the consequent loss of tonnage, as well as to the feverish demand from the leading nations for the tonnage that was spared, or could be replaced, caused an enormous falling off in the Italian coal imports, as is shown by the following figures:

	Tons
1912 .....	10,057,228
1913 .....	10,834,008
1914 .....	9,758,877
1915 .....	8,369,029
1916 .....	8,065,041
1917 .....	5,037,497
1918 .....	5,840,923
1919 .....	6,226,451

In connection with these coal imports it is worthy of note that England, in her desire to make her allies pay a good share of the war expenses, set the price of coal for exportation much above that established for home consumption, and Italy was one of the chief sufferers, for the cost of a ton of coal rose from 34 lire in 1913 to 440 lire in 1918, and, after the war, to 880 lire,—an enormous increase, even when we take into consideration the decreasing value of Italian money.

As is well known, no coal deposits of great importance have so far been discovered in Italy, and geologists are not inclined to believe that deposits comparable to those of the great coal-producing countries are likely to be found. Still Signor Belluzzo regards it as regrettable that an earnest search has not been made to ascertain whether coal strata do not exist hidden in the bosom of those mountain chains where there is evidence of deposits during the Carboniferous Period. Such researches would prove too costly for private interests, in view

of the risk of loss, and could therefore be conducted only by the state. However, the immense advantages which would accrue from the discovery of notable coal beds would fully justify the expense of such an enterprise.

Of petroleum, the opinion of geologists is that the sources found in the valley of the Po are but the vanguard of still more important quantities which may be recovered by sinking deep wells. America, he says, has shown Italy what splendid results can be secured in petroleum exploitation in the case of wells that have been abandoned because of their apparent exhaustion, for it has been found in many cases that when carried down deeper they will furnish immense supplies of the valuable fluid.

Lignite (brown coal) deposits are widely diffused in Italy, and if they were not utilized to a greater extent before the war, this was because of the cost of extraction, owing to the primitive methods employed. Already in 1914 as much as 778,308 tons of lignite were mined, but by 1918 the production had risen to 2,219,156 tons. Another combustible of which Italy can furnish a certain quantity is peat, and we must not forget the considerable amount of wood which is either used for domestic heating or, as coke, in the iron industries. Of this latter material Italy's annual production was about 500,000 tons, derived from 2,500,000 tons of wood.

The writer discusses the chances that Italy may purchase the surplus combustibles she needs from countries whose currency is even more depreciated than her own. Russia offers itself in this respect, because of its great coal and petroleum deposits, as an excellent field. The basin of the Donetz, between the Don and Dnieper rivers, supplies coal of superior quality. Turning to petroleum, both Russia and Rumania have abundant supplies, and the transportation of petroleum entails less expense than does that of coal, for when once placed in its receptacles less labor is required in handling it. Finally comes the important consideration that those European countries which possess the great petroleum sources are not interested in impeding the development of Italian industries, and therefore in rendering its export costly or difficult. Moreover, if Italy is able to establish commercial relations with the Russian Government, with-

out taking any account of what that government may be, she will be helping Russia out of the abyss into which that important land has fallen.

The writer does not regard the cost of adapting the Italian furnaces to the use of petroleum as an obstacle, since he believes

that the price of this material can be stabilized at a figure so much lower than that of coal as to offset the needed expenses of readjustment. Moreover, this readjustment is especially indicated by the possibility that petroleum in considerable quantity may before long be discovered in Italy.

## ALASKAN FORESTS AS A SOURCE OF PAPER

THE paper famine is one of the burning questions of the day. The scarcity of newsprint and the resulting high prices have forced many periodicals to suspend publication and others to advance their subscription rates. The whole publishing business is affected. The shortage of pulpwood is, of course, only one feature of a general shortage of forest products, which has checked building operations and otherwise profoundly affected the welfare of the nation, but it has one particularly sinister aspect, viz., it has led to a deplorable waste of forest resources. Mr. James Anderson, writing in the *Scientific American*, tells us that "even trees too small for the sawmill, but upon which our future lumber supply depends, are being used up to-day by the paper manufacturer three and one-half times as fast as they are being produced."

The purpose of Mr. Anderson's article is to point to a promising source of pulpwood for use in this country which, strange to say, is still entirely untapped. Although the National Forests of Alaska have yielded, to date, 400,000,000 feet of timber, not a stick of commercial pulpwood has yet been cut in them. The writer says:

Forestry experts agree that in only one way can the shortage of newsprint be overcome, and that is by the establishment of huge paper mills in Alaska. For the National Forests of Alaska contain resources sufficient to produce 1,500,000 tons of paper annually in perpetuity, and a huge paper industry in the territory is a certainty of the future.

Already a sale of 100,000,000 feet of pulp timber has been made, and a second sale of 1,500,000,000 feet, which will supply a great paper plant for more than thirty years, is now being arranged. The National Forests of Alaska offer paper manufacturers an ample supply of pulp paper, at low prices and subject to very reasonable and simple cutting requirements. The Forest Service is doing its utmost to develop this resource of the territory; it expects not only to make Alaska one of the great sources of paper for the

United States, but to make the industry permanent, as it is in Norway. Paper manufacturers who go to Alaska can count upon an assured supply of raw material indefinitely.

The site of this prospective industry is the southeastern coastal part of the territory; a rugged, mountainous country, where roads can be constructed only at great expense, but where a vast system of waterways provides ample facilities for the transportation of lumber. The outlook for the paper industry is further indicated by the following statements:

The National Forests of Alaska probably contain 100,000,000 cords of timber suitable for the manufacture of newsprint and other grades of paper. Under careful management it has been estimated that these forests can produce 2,000,000 cords of pulpwood annually for all time, or enough to manufacture at least one-third of the pulp products now consumed in the United States. It is easy to imagine what a tremendous help this would be.

The Alaskan forests also contain the second chief essential of a paper-manufacturing industry—waterpower. While no accurate survey of this has been made, known projects have a possible development of over 100,000 horsepower; and it is estimated that a complete exploration of the National Forests in southern Alaska will increase their potential power to a quarter of a million.

At present Western hemlock and spruce are the standard pulpwoods for the United States mills in the Pacific Northwest, the hemlock being consumed in greater amounts than any other single species. In 1918, 145,583 cords of hemlock pulpwood and 35,385 cords of spruce were consumed in Washington, Oregon, and California.

Both of these trees are widely and thickly distributed about the Tongass region in Alaska. Western hemlock occupies about 60 per cent. of the merchantable stand, and is also being extensively used for pulp at a number of plants in British Columbia. Spruce forms about 20 per cent. of the stand, and varies greatly in percentage of mixture, from pure stands of ten acres or less to stands in which it is practically absent. From these two woods the following papers are made: Manila, cartridge, sheathing, book, label, writing, and related papers. These facts show that the two principal species of Alaska timber

## LANGUAGE ERRORS IN TARIFF LAWS

A TARIFF act is supposed to cover every known article of commerce, from raw material to the delicate instruments of science. The last tariff act contained over six hundred numbered paragraphs; yet a department store inventory would show a list ten times as long, and hence the tariff bill contains generalizations and abbreviations ambiguous and obscure in meaning to merchants and the courts, although doubtless clear enough to the Congressmen.

Is ginger bread, for instance, dutiable as "bread"? Is a currycomb a "comb"? Are phonograph needles dutiable as "needles," and if so, how about Cleopatra's needle? Mr. Martin T. Baldwin, who has been a customs and tariff law expert in the Attorney-General's office for many years, tells some of the interesting verbal pitfalls of tariff legislation in a recent number of the *North American Review*. Why must "cotton cloth" be composed entirely of cotton, while "shoes made of leather" may contain substantial components other than leather?

Mr. Baldwin seems to think that the seat of the trouble may lie in the fact that tariff laws are enacted, not by Congress, but by the members of Congress. He indicates a few of the difficulties:

Yet mere coöperation or unification of effort, with all the care in the world to avoid verbal traps and hidden ambiguities, will not produce a fool-proof tariff act, unless due consideration be given to one other source of difficulty that is peculiarly important in the preparation of such bills. This lies in the fact that the builders of the tariff are dealing almost altogether with what may be called second-hand materials. Practically every adjective, every noun, every phrase, employed in the structure has been used already in some preceding tariff act, and has been construed and applied by the administrative officials or by the courts, sometimes with quite unexpected results. Moreover, its language, especially in the terms used for describing particular kinds of merchandise, is the language of merchants, of wholesale buyers and sellers, which has through years of trade acquired meanings not always intelligible to the layman. But the legislator is not at liberty to disregard this tariff and commercial history. He may not handle his words as new materials, right out of the dictionary. He must investigate the origin and previous employment of all his verbal planks and beams, and make use of them accordingly.

For example, to use a rather homely illustration, if he wants a certain rate of duty to be levied upon women's hairpins, it will not do to provide simply for "pins" in general, upon the

assumption that this word includes all sorts of pins. For research will disclose that in a former tariff act Congress at one time provided, not only for "pins," but also, in a separate paragraph at a separate rate of duty, for "hairpins." Which fact was held by the courts to amount to a legislative differentiation between hairpins and pins, so that a hairpin is no longer to be regarded by itself. Thus, in a new tariff act, if hairpins are to receive any special consideration, they must be specially named, as before. Nor will recourse to the dictionaries or to the rules of logic be of any avail, for the Supreme Court of the United States has itself recognized this identical hairpin distinction.

Tariff laws perform the function to-day more than ever of regulating commerce as well as producing revenue, and the language is that of commerce rather than of literature. A hundred years ago, Mr. Justice Story observed that the legislature, "did not suppose our merchants to be naturalists, or geologists or botanists," but "applied its attention to the description of articles, as they derived their appellations in our own markets." In the commercial world, it happens, "feather-stitch braid" becomes dutiable as a "braid," even though it is not braided at all, but is in fact made on a loom. Skins of ponies become "furs," and imitation pearls "precious stones." Says Mr. Baldwin:

The situation has its analogy in the ordinary restaurant bill of fare, where fried flounder has to be ordered as "filet of sole" in spite of private misgivings. Nor can the guest make much headway in ordering a dinner unless he understands and follows the ancient customs of the restaurant business.

On the whole, the task of Congress in adjusting its words to its ideas in a tariff act is considerably more complicated than is commonly supposed. Problems of political economy, of international comity of protection, of revenue, are by no means the sole cause of worry. It seems like a comparatively simple matter, once the economic problems are disposed of, to write down a list of the articles subject to importation, each with its appropriate rate of duty fixed in accord with the principles adopted. But there is good reason to believe that the latter undertaking is fully as wearisome and time-consuming for the average Congressman as is the more serious work of determining economic policies.

One might surmise that a Bill Drafting Commission similar to that of the New York State Legislature at Albany would be helpful to the Congress at Washington in clarifying its intent and perhaps eliminating some verbal jokers that may be unintentional or otherwise, at times.



## COUNTING THE SEALS ON THE PRIBILOF ISLANDS

THE most valuable herd of fur seals in the world is the property of the United States Government. The Government's ownership of these animals arises from the fact that the Pribilof Islands, in the middle of Bering Sea, where the herd has its breeding ground, are government property. Formerly, however, the seals were at the mercy of the hunters of all nations except during the part of the year that they spent on shore. In the year 1911 the United States, Great Britain, Russia and Japan entered into an agreement that abolished sealing on the high seas for a period of fifteen years. Since that time Russia has had exclusive control of the small herd that breeds in the Commander Islands, and the United States of the larger herd that breeds in the Pribilofs, the two principal islands of which are St. George and St. Paul. The subsequent history of the American herd is recorded at some length in the *Scientific American Monthly*, and the writer tells us how the U. S. Bureau of Fisheries takes its annual census of the seals. Last year's count showed 550,000 animals.

In 1912 Congress passed a law prohibiting all killing of fur seals on the Pribilof Islands for a period of five years, except the number needed as food for the natives. Commercial killing was resumed in 1918.

It is to make sure that no illegal killing is going on that every year the Government takes a census of the seals, and while it is impossible to make a full census without some proportion of estimate, at the same time the cessation of pelagic sealing has provided opportunity for actual counts of the breeding elements of the herd, the old males and females and the young of the year. With elements positively known and killing records complete for several years, the non-breeding seals can be estimated by making use of the number supposed to die from natural causes. At present the rate of mortality must be inferred, and herein lies the only element of uncertainty in the census.

The classes of seals actually counted are the breeding bulls in active service, the idle bulls on the breeding ground, and the young pups of the season. Actual counts are also made of the half bulls and bachelors, but give only partial results of value, chiefly as a check upon the estimates. The classes estimated are the yearlings and the two-year-olds of both sexes, and the bachelors from three to five years of age. The number of breeding cows is directly inferred from the number of pups.

In explanation of the last statement it should be mentioned that each cow gives birth annually to one pup. All the pups are on land at one time, though many of the mothers are always in the sea.

The method of counting is simple. The rookeries are mostly extended along the shore in linear formation, frequently beneath low cliffs from which the observer can look over them with ease. In the present condition of the herd the number of bulls in tier formation between the shore and the back of the rookery does not often exceed five, and marked rocks and natural prominences are sufficient for all necessary sub-division of rookery space into areas for successive counting. The large relative size of the bull makes him conspicuous even at a considerable distance, and except when fully recumbent in a heavily massed area, he cannot possibly be overlooked.

In order to prevent mistakes and to make general preliminary observations, numerous counts of various classes of seals are made before the height of the season. In this way counts are made at least once for every rookery on St. Paul Island and some rookeries are counted from three to six times. In addition, weekly counts are made of all the rookeries on St. George Island in late June and early July. Therefore, when the height of the season arrives in September those engaged in the count are familiar with the peculiarities of each rookery and all are agreed as to the method to be employed.

Counting bachelors may be compared to counting a swarm of bees, part of which is in the hive and the remainder out gathering honey. The full number cannot be determined with accuracy, although various devices are available as the basis of estimates. Those on land at a given time may be closely approximated by a process of combined counting and estimating. After some experience, results may be obtained in this way which, as minimum figures, are wholly reliable. It is often possible to find a herd of bachelors practically all of which are lying asleep, so an observer in an elevated position with a good field glass can count them with considerable accuracy. Conditions for counting in this manner are particularly favorable on St. George Island. A large herd of bachelors in which all or many individuals are in motion can only be estimated by counting those on a certain space and correlating the number obtained with the total space occupied. At times the bachelors on a given hauling ground may be driven back a short distance and divided into small pods which are successively counted as they form in an irregular line to return to the sea. Taking all data of this sort into consideration, the observer spending an entire season on the islands is in no doubt as to the approximate number of bachelors usually found on each hauling ground.

# THE NEW BOOKS

## AMERICAN POLICIES AND INSTITUTIONS

**American Police Systems.** By Raymond B. Fosdick. The Century Company. 408 pp.

What Mr. Fosdick learned in his earlier examination of European police systems helped to prepare him for the studies of the police problems of American cities which are embodied in the present volume. Mr. Fosdick spent nearly two years in a personal investigation of seventy-two cities from Boston to Los Angeles. He was able to differentiate clearly between European and American conditions and to base his comparisons upon the freshest information. He could not fail to be impressed by the overwhelming prevalence of crime in the United States, as well as by our faulty judicial system, our many laws that were never made to be enforced, and the vicious political interference and manipulation noticeable in many of our city police systems. These and other police evils are fully and fearlessly disclosed in Mr. Fosdick's book. The publication of the work is most timely.

**American Political Ideas.** By Charles Edward Merriam. Macmillan. 481 pp.

In Dr. Merriam's "History of American Political Theories," published some years ago, he dealt chiefly with the development of political thought down to the Civil War. His new book outlines tendencies in our fundamental political thinking from the close of the Civil War to the beginning of America's effort in the Great War. Dr. Merriam's treatment of this subject is made the more interesting and useful by his personal contacts with various phases of practical politics. For many years he has been closely identified with reform movements in the city of Chicago, and in one important campaign was candidate for Mayor. His discussion of political ideas in their relation to the social and economic tendencies of our time is frequently stimulating and always sound and well reasoned.

**New England in the Life of the World.** By Howard A. Bridgman. Boston and Chicago: The Pilgrim Press. 395 pp. Ill.

Naturally enough the writing and speaking in connection with the Pilgrim Tercentenary has concerned itself chiefly with the voyage of the *Mayflower* and the landing at Plymouth. The later influence of the settlement of New England on American history has usually been taken for granted. Dr. Howard A. Bridgman, not content with a survey of English achievement within New England's narrow boundaries, has sought across the continent and in foreign lands to learn precisely what was the part played by men and women of New England stock in founding and developing states. The results of his inquiry, comprising material never before brought together in a single volume, are published under

the significant title, "New England in the Life of the World." It is truly, as the sub-title indicates, "A Record of Adventure and Achievement." Each chapter is crowded with specific, concrete instances of the transplantation of "the Pilgrim seed" to the Middle West, the Far West and Northwest, Hawaii, the Near East, and distant parts of the world. Not only are the beginnings of New England influence sketched, but the results in present-day customs, institutions and laws are clearly set forth.

**Democracy and the Human Equation.** By Alleyne Ireland. E. P. Dutton & Company. 251 pp.

Mr. Ireland is a writer of British birth who has spent much time in America, and is a sympathetic student of our institutions. He is disturbed by what he regards as the virtual disappearance of the principle of representative government from the American political system, and our rapid drifting into a system of direct democracy which he regards as the very negation of representative republicanism. His conclusions will not generally be accepted by Americans as justified by the facts. Yet there is much truth in his severe criticism of the practical workings of our State and national legislatures.

**Democracy and Assimilation.** By Julius Drachsler. Macmillan. 275 pp.

The author of this volume has made an unusually careful preparation for the study of what he terms "The Blending of Immigrant Heritages in America." For one thing, he is one of the first students of the subject to go into the matter of intermarriage among ethnic groups in the United States. As the statistical basis of his investigation he studied the records disclosed by over 100,000 marriage certificates in the City of New York, covering a five-year period before the Great War. The facts gathered from this investigation seemed to the author to point to the amalgamation of the European nationalities in the United States, with the possible exception of one or two groups.

**Immigration and the Future.** By Frances Kellor. George H. Doran Company. 276 pp.

This book is an attempt to guide American discussion of immigration into new channels—to set before American labor leaders, business men and economists the outlines of the American immigration problem as it has developed since the war. The book asks many searching questions, to which public opinion must sooner or later give answer—among them these: Is Immigration Essential to the Economic Development of This Country? Is America a Necessary Asylum for the Foreign Born? Shall Immigrant Savings Be

Spent in America? Shall America Become a One-Language Country? Shall American Citizenship Be Compulsory? Shall Aliens Be Registered? Shall Immigration Be Dealt with Abroad?

**Community Organization.** By Joseph K. Hart. Macmillan. 230 pp.

An increasing number of men and women in this country is engaged in what is known as "social work," and a few of these are interested in efforts undertaken for the community as a whole. The author of this book, from experience in the War Camp Community Service and in earlier work in Western States, analyzes the general problem of community organization, and shows how plans already formed for deepening and giving expression to a community sense may have a democratic application.

**The Community Health Problem.** By Athel C. Burnham. Macmillan. 149 pp.

This book is useful as a condensed statement of practical movements and methods for obtaining improved national health: "Health Departments

and Community Health," "A Public Health Nurse," "Workmen's Compensation Insurance," "Compulsory Health Insurance," "Health Centers," "The Social Unit Experiment," "Social Hygiene," "Rehabilitation of the Disabled."

**The League of Nations Starts: an Outline by Its Organizers.** Macmillan. 282 pp.

Men who took a personal part in the organization of the League of Nations and were interested in the creation of the League machinery have coöperated in preparing this volume, in which are described the various attempts to bring about international administration in particular fields of activity. Each of these writers confines his comment to his own individual field, and shows how the League is functioning in that field. The chapter on the Permanent Court of International Justice is contributed by no less an authority than Léon Bourgeois of France, that on the Reduction of Armaments by the Spanish Minister of War, El Vizconde de Eza, and that on Economics and Finance by Mr. J. A. Salter, Secretary-General of the Reparations Commission.

## POLITICAL ECONOMY BROUGHT UP TO DATE

**Economics.** By James Cunnison. E. P. Dutton & Co. 168 pp.

An unusually successful attempt to condense and restate for the benefit of the general reader the basic principles and problems of the science of wealth. The production, distribution and control of wealth are discussed in this little book in simplified form, but for a treatment of the theory of consumption the reader will have to look elsewhere. The writer's point of view is modern and in accord with the most advanced economic thinking of our day.

**Wealth—Its Production and Distribution.** By A. W. Kirkaldy. E. P. Dutton & Co. 147 pp.

This English professor of economics has succeeded in condensing his explanation of the production and distribution of wealth into even fewer pages than were required for Professor Cunnison's text-book. He does this, however, at some sacrifice of the treatment of distribution. His method is to discuss land, labor, and capital each as a factor in production. Illustrations are presented from various fields of industry.

**Profits, Wages, and Prices.** By David Friday. Harcourt, Brace & Howe. 252 pp.

Those who read Professor Friday's article in the February REVIEW OF REVIEWS, on "How Recovery Will Come," will find in this fuller discussion of "Profits, Wages, and Prices" an application of the same general method. Professor Friday's attention was attracted in the autumn of 1916 to the enormous growth of profits which resulted from war profiteering in this country. Ever since that time he has been busy collecting material on profits, wages, prices, and related

subjects. This little volume presents the facts thus acquired in a way that will be comprehensible to the general reader. Professor Friday's conclusion from these facts is that, so far from indicating disintegration or economic weakness in America, they show that "the productive resourcefulness revealed by the war gives a substantial basis for social and economic optimism."

**The Morals of Economic Internationalism.** By J. A. Hobson. Houghton-Mifflin Company. 69 pp.

A stimulating and suggestive essay by an eminent British economist, dealing largely with the international situation resulting from the war.

**International Relations of Labor.** By David Hunter Miller. Alfred A. Knopf. 77 pp.

The author of this little volume of lectures was legal adviser of the American Commission to Negotiate Peace, and has given much study to the results of the war upon the international handling of labor problems. His lectures are full of information regarding the international labor conferences already held and the possibilities of what is sometimes alluded to as the labor world's parliament of the future.

**The Frontier of Control.** By Carter L. Goodrich. With an Introduction by R. H. Tawney. Harcourt, Brace & Howe. 277 pp.

In these days of the "mill council" and the various efforts now under way in this country to secure for factory workers a fuller participation in management, any light that can be gained from the experience of other countries is welcome. Mr. Carter Goodrich was awarded the

Roswell Dwight Hitchcock Fellowship of Amherst College for the purpose of studying what he terms "British workshop politics." During his residence in Great Britain he made himself acquainted with the views of trade union leaders and business men on the subject in hand. The result is a book which is characterized by Mr. R. H. Tawney, late member of the British Coal Industry Commission, as the best existing account of the efforts of trade unionism in Great Britain to exert its claims in the matter of shop control.

**Federal Income Tax.** By George E. Holmes. Indianapolis: The Bobbs-Merrill Company. 1151 pp. 1920 edition.

**1921 Supplement to Federal Income Tax.** By George E. Holmes. Indianapolis: The Bobbs-Merrill Company. 539 pp.

So long as our system of income and excess profits taxation remains what it is, such volumes as this are a necessity. An extraordinary amount of the time of lawyers, accountants and clerical

assistants of all classes is demanded at this time of year in the preparation of income-tax schedules. With such complications as are involved in the present law the taxpayer must depend for guidance on an authority like Mr. Holmes, who has made a detailed study of the law from the administrative standpoint. His standard volume, with its supplement, embodying the amendments made in 1920, probably covers the ground more completely and accurately than any other work in print.

**Marketing.** By C. S. Duncan. D. Appleton & Company. 500 pp.

It may be news to not a few of our readers that the problems and methods of marketing are actually taught in American schools and colleges. The material of Dr. Duncan's book has been largely accumulated through years of teaching classes in marketing. It is a broad survey, intended to serve as a foundation for more specialized studies. It is based on actual business experience.

## LESSONS OF THE GREAT WAR

**Our Air Force: the Keystone of National Defense.** By Brigadier-General William Mitchell. E. P. Dutton & Co. 223 pp. Ill.

General Mitchell, whose article on aircraft *versus* battleships appears in this REVIEW, attempts in this book to bring before the American people the national meaning and importance of the efficient organization of our aviation resources, to tell how such an organization can be brought about, and what has already been done toward it. General Mitchell was the first American officer under German fire in the Great War, and the first American flying officer to cross the lines. Later he commanded the Air Service of the First Army Corps, the Air Service of the Group of Armies, and was in charge of the Aviation Corps of the American Army of Occupation.

**A Naval History of the War. 1914-1918.** By Sir Henry Newbolt. George H. Doran Company. 350 pp. Ill.

While not the official historian of naval operations in the war, Sir Henry Newbolt has peculiar qualifications, as an experienced writer on naval history, for telling the story of the naval battles and especially of the submarine warfare in a way that will be intelligible to the general reader. One gets from his pages a new idea of the meaning and importance of the battles of Coronel and the Falklands, and in connection with the Battle of Jutland the confusing mass of German claims and British criticism are analyzed and reviewed.

**The Crisis of the Naval War.** By Admiral of the Fleet Viscount Jellicoe of Scapa. George H. Doran Company. 331 pp. Ill.

In an earlier volume Admiral Jellicoe told the story of the naval war during the years 1914-16. The present volume deals with the defeat of Germany's submarine campaign, beginning in February, 1917. This account includes, of course, the entry of the United States into the war and the part taken by our Navy and the introduction and working of the world-wide convoy system. Admiral Fiske has called attention to the fact that this book verifies the statements made by Admiral Sims as to the preparation of the United States for war.

**A History of the Transport Service. 1917-1919.** By Vice-Admiral Albert Gleaves, U. S. N. George H. Doran Company. 284 pp. Ill.

So far as participation in the war is concerned, America has no cause to feel ashamed of a transport service which carried overseas an army of two million men. Vice-Admiral Gleaves, who commanded convoy operations in the Atlantic, is the author of this volume of adventures and experiences by the United States transports and cruisers.

**The "Corsair" in the War Zone.** By Ralph D. Paine. Houghton-Mifflin Company. 303 pp. Ill.

An account of the adventures of one of the American converted yachts—Mr. Morgan's *Corsair*—during the war.

